

**THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI**

MIAMI, FLORIDA
(A COMPONENT UNIT OF THE SCHOOL BOARD
OF MIAMI-DADE COUNTY, FLORIDA)

BASIC FINANCIAL STATEMENTS, INDEPENDENT
AUDITORS' REPORT AND SUPPLEMENTAL
INFORMATION

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2017

TABLE OF CONTENTS

	PAGES
General Information.....	1
BASIC FINANCIAL STATEMENTS	
Independent Auditors’ Report.....	2-4
Management’s Discussion and Analysis (not covered by Independent Auditors’ Report).....	5-12
Basic Financial Statements	
<i>Government-wide Financial Statement:</i>	
Statement of Net Position.....	13
Statement of Activities.....	14
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	15
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	18
<i>Notes to Basic Financial Statements</i>	19-26
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	27
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund.....	28
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund.....	29
<i>Notes to Required Supplemental Information</i>	30
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Management Letter.....	33-34

**THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI**

111 Northwest 183rd Street, 2nd Floor
Miami, FL 33169
(786) 503-5728

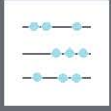
2016-2017

BOARD OF DIRECTORS

Aviva Budd, Title Director
Melanie Damian, President, Title Secretary
Patrick Gannon, Title Treasurer
Robert Gordon, Title Director
Virginia Emmons, Title Director
Tery Medina, Title Director
Tom Culmo, Title Director

SCHOOL ADMINISTRATION

Mrs. Kara A. Locke, Head of School



INDEPENDENT AUDITORS' REPORT

Board of Directors
The Miami Boarding School, Inc.
d/b/a The SEED School of Miami
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of The Miami Boarding School, Inc. d/b/a The SEED School of Miami (the "School"), and a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and budgetary comparison information on pages 27 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Verdeja DeArmas Trujillo".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 31, 2017

Management’s Discussion and Analysis
The Miami Boarding School, Inc.
d/b/a The SEED School of Miami

The discussion and analysis of The Miami Boarding School, Inc. d/b/a The Seed School of Miami (the “School”) financial performance provides an overview of the School’s financial activities for the Fiscal Year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

1. The School had a change in net position of \$1,456,852 for the fiscal year and at June 30, 2017 the School’s net position was \$1,372,888.
2. At year-end, the School had current assets of \$1,421,924.
3. The School had a fund balance at June 30, 2017 of \$1,349,964.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2017 are presented in accordance with Governmental Accounting Standards Board (“GASB”) Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School’s assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School’s net position changed during the Fiscal Year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund Financial Statements

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to comply with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the Fiscal Year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's Fiscal Year, the Board of the School adopts an annual budget for its general and special revenue fund. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 15-18 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 19-26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. Below is a summary of the School's net position as of June 30, 2017 and 2016:

Assets	<u>2017</u>	<u>2016</u>
Cash	\$ 1,276,090	\$ 138,693
Accounts receivables	121,841	177,358
Prepaid expenses	23,993	28,264
Deposits receivable and other assets	113,336	1,000
Capital assets, net	54,357	72,723
Total Assets	<u>\$ 1,589,617</u>	<u>\$ 418,038</u>
Liabilities and Net Position		
Accounts payable and accrued expenses	\$ 184,426	\$ 160,588
Due to The SEED Foundation	870	298,280
Loan payables	31,433	43,134
Total Liabilities	<u>\$ 216,729</u>	<u>\$ 502,002</u>
Net investment in capital assets, net of related debt	22,924	29,589
Unrestricted	1,349,964	(113,553)
Total Net Position	<u>\$ 1,372,888</u>	<u>\$ (83,964)</u>
Total Liabilities and Net Position	<u>\$ 1,589,617</u>	<u>\$ 418,038</u>

Below is a summary and analysis of the School's revenues and expenses for the year ended June 30, 2017 and 2016:

REVENUES	<u>2017</u>	<u>2016</u>
Program Revenues		
Contributions and other grants	\$ 3,480,658	\$ 2,319,618
State capital outlay funding	37,718	-
Other miscellaneous state revenues	3,407,310	2,000,000
General Revenues		
FEFP nonspecific revenue	859,977	627,355
Other income	19,883	405
Total Revenues	<u>\$ 7,805,546</u>	<u>\$ 4,947,378</u>
EXPENSES		
Instruction	\$ 1,124,177	\$ 890,375
Instructional support services	1,801,913	1,431,768
School administration	485,487	692,945
Fiscal services	569,742	430,111
Food services	366,255	312,021
Pupil transportation services	155,371	102,802
Operation of plant	1,488,814	1,126,240
Administrative technology services	125,750	184,095
Maintenance of plant	22,498	6,096
Central services	208,687	172,337
Total Expenses	<u>\$ 6,348,694</u>	<u>\$ 5,348,790</u>
Change in Net Position	1,456,852	(401,412)
Net Position (Deficit) at Beginning of Year	<u>(83,964)</u>	<u>317,448</u>
Net Position (Deficit) at End of Year	<u>\$ 1,372,888</u>	<u>\$ (83,964)</u>

ACCOMPLISHMENTS

SEED School Growth

In 1998, The SEED Foundation (the “Foundation”) opened the nation’s first college-preparatory public boarding school in Washington, D.C. to serve students who were not succeeding in traditional public schools. SEED schools were envisioned as a solution in a spectrum of options for improving educational outcomes. In 2014, SEED schools expanded beyond Washington, D.C. and Baltimore and opened its third school in Miami, Florida.

Many lessons learned from the Foundation’s work with students in D.C. and Maryland were applied to the program at The SEED School of Miami. On August 17, 2014, the School opened with its first class of incoming 6th graders. The demographic breakdown of the founding 6th grade class included African American, Hispanic, and Haitian students. The majority of students in this group were from Miami-Dade County, with a few from Broward County. During the 2015-2016 school year, enrollment increased to 97 students from 62 in its first class. In 2016-2017, 134 students attended the program, and currently the School serves 240 students in its fourth year of operations.

The School recruits students specifically from South Florida’s underserved communities. Student eligibility criteria defined by Florida statute included: residency of Florida and eligibility to attend school in participating school districts; eligibility for 6th grade during upcoming school year; family gross income at or below 200% federal poverty line; and eligibility for benefits or services funded by Temporary Assistance for Needy Families (TANF) or Title IV-E of the Social Security Act.

In addition to the eligibility criteria, students also meet at least one of the following at-risk factors: coverage under the terms of the state’s Child Welfare Waiver Demonstration project; declared an adjudicated dependent; current head of household is not the student’s custodial parent; resident in a household receiving a housing voucher or eligible for public housing; or an immediate family member has been incarcerated. Furthermore, a third of the open slots at the School are reserved for children who have received or are receiving services from the child welfare system.

Programmatic Accomplishments

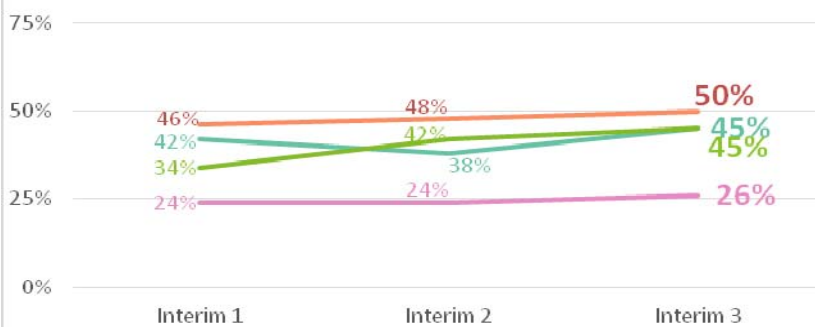
The SEED School of Miami successfully completed its third year of operations in June 2017 thanks to the support of the Florida Department of Education Office of Independent Education and Parental Choice, Miami Dade County Public Schools, and the Florida Department of Children and Families.

We are proud to report the many accomplishments of our students and staff throughout the 2016-2017 school year, including the following:

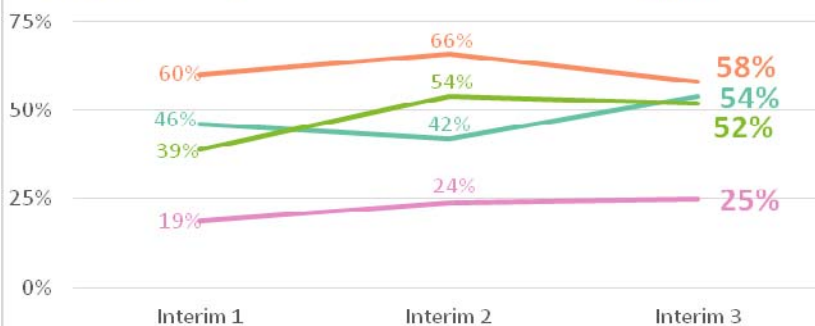
- SEED Miami exceeded all of its enrollment benchmark targets with 92%, 95%, and 90% continued enrollment rates during each reporting period
- We finished the school year with 128 total students enrolled, 90% of whom re-enrolled in the school for the 2017 – 2018 school year
- SEED Miami students averaged a 92.4% attendance rate throughout the 2016 – 2017 school year
- Sixth, seventh, and eighth grade students all met our annual reading level benchmarks target

- Whereas 17% of our sixth grade students began the year reading on grade level, 49% of them closed the year reading on a Level W (6th grade level) or above
- Whereas 16% of our seventh grade students began the year reading on grade level, 65% of them closed the year reading on a Level Y (7th grade level) or above
- Whereas 54% of our eighth grade students began the year reading on grade level, 74% of them closed the year reading on a Level Z (8th grade level) or above
- 91% of SEED Miami students scored in the “Ready” or “Close” categories on the ACT Aspire Summative Assessment
- SEED Miami offered a robust set of experiences to expose our students to new opportunities this school year. These offerings included over 15 clubs and afterschool activities, a seventh grade Life Science 2-day trip to the Florida Keys, college trips to four local universities, and experiential learning partnerships with the Everglades Foundation and Frost Museum of Science.

6th grade proficiency: Proficiency rose over time in **Reading, English, Science** and **Math**.



7th grade proficiency: Proficiency rose over time in **English, Science** and **Math**, but fell by a net two points in **English**.



English Skills Assessed

- Conventions of Standard English
- Production of Writing

Reading Skills Assessed

- Craft and Structure
- Key Ideas and Details

Science Skills Assessed

- Interpretation of Data
- Scientific Investigation
- Evaluation of Models, Inferences, and Experimental Results

Math Skills Assessed

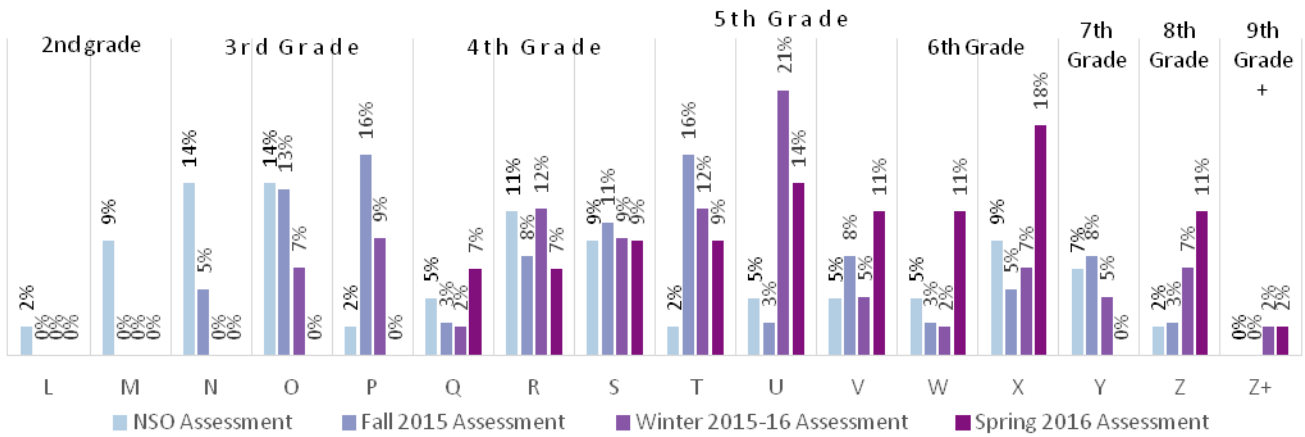
- The Number System
- Geometry
- Statistics and Probability
- Grade Level Progress
- Foundation
- Modeling
- Expressions and Equations
- Ratios and Proportional Relationships

Trends and Implications

- Sixth and seventh grade students both experienced the largest growth on the English assessment from Interim 2 to Interim 3.
- Math continues to be the area of greatest difficulty for students on both Interim Assessments and the State Exam. This trend mirrors a national pattern. Since the introduction of computer-based testing in mathematics, national performance level averages have dropped. As we plan for staff summer professional development, we are developing opportunities to modify the instructional delivery in math classes to enhance student performance.
- On average in Interim 3, students in both grades performed best on the Reading assessment.

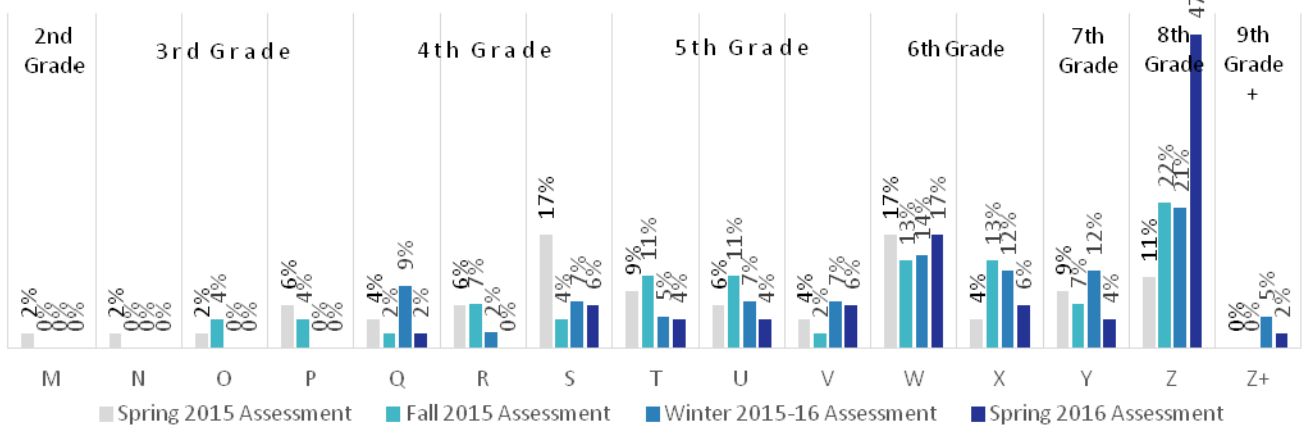
6th Grade Fountas & Pinell Reading Levels Across Four Assessments for the 2015-2016 SY

42% of sixth graders are reading at a Level W or higher by the Spring assessment.



7th Grade Fountas & Pinnell Reading Levels Across Four Assessments for the 2015-2016 SY

53% of seventh graders are reading at a Level Y or higher by the Spring assessment.



SCHOOL LOCATION

The School operates in the Miami area located at 111 Northwest 183 Street, 2nd Floor, Miami, FL 33169. The dormitory is located at 15800 NW 42nd Avenue, Building 1 in Miami Gardens, Florida, 33054.

CAPITAL IMPROVEMENT REQUIREMENT

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUND

As noted earlier, the School uses fund accounting to comply with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the Fiscal Year.

At the end of the fiscal year, the School's second year of operations, the School's governmental funds reported an increase of \$1,463,517 in fund balance and had an ending fund balance of \$1,349,964.

CAPITAL ASSETS

The School's investment in capital assets, as of June 30, 2017, amounts to \$54,357 (net of accumulated depreciation). This investment in capital assets includes furniture & fixtures and motor vehicles.

GOVERNMENTAL FUND BUDGET ANALYSIS

Prior to the start of the School's Fiscal Year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
Revenue from state sources	\$ 711,965	\$ 746,700	\$ 859,977
Contributions and other grants	3,130,000	3,130,000	3,383,403
State capital outlay funding	29,035	29,035	37,718
Other miscellaneous state revenues	3,381,040	3,381,040	3,407,310
Federal through state and local	161,131	95,094	97,255
Other income	-	-	19,883
TOTAL REVENUES	\$ 7,413,171	\$ 7,381,869	\$ 7,805,546
EXPENDITURES			
Instruction	\$ 1,326,403	\$ 1,326,403	\$ 1,124,177
Instructional support services	2,212,927	2,197,733	1,801,913
School administration	714,471	520,261	485,487
Fiscal services	654,376	633,689	539,210
Food services	279,729	279,729	366,255
Pupil transportation services	197,600	197,600	155,371
Operation of plant	1,577,891	1,718,495	1,488,814
Administrative technology services	110,875	113,035	125,750
Central services	334,949	390,588	208,687
Maintenance of plant	3,750	4,875	22,498
Debt service	-	-	13,967
Other capital outlay	-	-	9,900
TOTAL EXPENDITURES	\$ 7,412,971	\$ 7,382,408	\$ 6,342,029
Change in fund balance before other financing sources	200	(539)	1,463,517
Other financing sources	-	-	-
Net change in fund balance	\$ 200	\$ (539)	\$ 1,463,517

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mrs. Kara Locke, Head of School.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a/ THE SEED SCHOOL OF MIAMI
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,276,090
Accounts receivables	121,841
Prepaid expenses	<u>23,993</u>
TOTAL CURRENT ASSETS	<u>1,421,924</u>
CAPITAL ASSETS	
Furniture and equipment	36,941
Less accumulated depreciation	(20,948)
Motor vehicles	82,294
Less accumulated depreciation	<u>(43,930)</u>
TOTAL CAPITAL ASSETS, NET	<u>54,357</u>
Deposit receivable and other assets	<u>113,336</u>
TOTAL ASSETS	<u><u>\$ 1,589,617</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued expenses	\$ 184,426
Due to The SEED Foundation	870
Loan payables - current portion	<u>12,374</u>
TOTAL LIABILITIES	<u>197,670</u>
Loan payable - long term portion	<u>19,059</u>
NET POSITION	
Invested in capital assets, net of related debt	22,924
Unrestricted	<u>1,349,964</u>
TOTAL NET POSITION	<u>1,372,888</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,589,617</u></u>

The accompanying notes are an integral part of this financial statement.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a/ THE SEED SCHOOL OF MIAMI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	\$ 1,124,177	\$ -	\$ 31,379	\$ -	\$ (1,092,798)
Instructional support services	1,801,913	-	2,991	-	(1,798,922)
School administration	485,487	-	525	-	(484,962)
Fiscal services	569,742	-	-	-	(569,742)
Food services	366,255	-	54,387	-	(311,868)
Pupil transportation services	155,371	-	-	-	(155,371)
Operation of plant	1,488,814	-	73	37,718	(1,451,023)
Maintenance of plant	22,498	-	-	-	(22,498)
Administrative technology services	125,750	-	7,900	-	(117,850)
Central services	208,687	-	-	-	(208,687)
Total Governmental Activities	\$ 6,348,694	\$ -	\$ 97,255	\$ 37,718	\$ (6,213,721)

GENERAL REVENUES:

Grants and contributions not restricted to specific programs	3,383,403
Other miscellaneous state revenues	3,407,310
Revenues from state sources	859,977
Interest and other revenue	19,883
Total general revenues	7,670,573

Change in Net Position 1,456,852

NET POSITION (DEFICIT) - BEGINNING (83,964)

NET POSITION - ENDING \$ 1,372,888

The accompanying notes are an integral part of this financial statement.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a/ THE SEED SCHOOL OF MIAMI
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2017

	Governmental Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,276,090	\$ -	\$ -	\$ 1,276,090
Accounts receivables	121,841	-	-	121,841
Prepaid expenses	23,993	-	-	23,993
Deposit receivable and other assets	113,336	-	-	113,336
TOTAL ASSETS	\$ 1,535,260	\$ -	\$ -	\$ 1,535,260
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 184,426	\$ -	\$ -	\$ 184,426
Due to The SEED Foundation	870	-	-	870
TOTAL LIABILITIES	185,296	-	-	185,296
FUND BALANCE				
Nonspendable				
Deposit receivable and other assets	137,329	-	-	137,329
Unassigned	1,212,635	-	-	1,212,635
TOTAL FUND BALANCE	\$ 1,349,964	\$ -	\$ -	\$ 1,349,964
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,535,260	\$ -	\$ -	\$ 1,535,260

The accompanying notes are an integral part of this financial statement.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a/ THE SEED SCHOOL OF MIAMI
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total Fund Balance - Governmental Funds \$ 1,349,964

Amounts reported for governmental activities in the statement of net assets are the same. There are no reconciling items.

Capital assets of \$109,335, net of accumulated depreciation of \$36,612 used in governmental activities are not financial resources and therefore are not reported in the fund. 54,357

Long-term liabilities of \$43,134 are not due and payable in the current period and therefore, are not reported in the funds. (31,433)

Total Net Position - Governmental Activities \$ 1,372,888

The accompanying notes are an integral part of this financial statement.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a/ THE SEED SCHOOL OF MIAMI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Capital Projects Fund	Special Revenue Fund	Governmental Funds
REVENUES				
Revenue from state sources	\$ 859,977	\$ -	\$ -	\$ 859,977
Contributions and other grants	3,383,403	-	-	3,383,403
Other miscellaneous state revenues	3,407,310	-	-	3,407,310
State capital outlay funding	-	37,718	-	37,718
Federal through state and local	-	-	97,255	97,255
Other income	19,883	-	-	19,883
TOTAL REVENUES	\$ 7,670,573	\$ 37,718	\$ 97,255	\$ 7,805,546
EXPENDITURES				
Current:				
Instruction	\$ 1,092,798	\$ -	\$ 31,379	\$ 1,124,177
Instructional support services	1,798,922	-	2,991	1,801,913
School administration	484,962	-	525	485,487
Fiscal services	539,210	-	-	539,210
Food services	311,868	-	54,387	366,255
Pupil transportation services	155,371	-	-	155,371
Operation of plant	1,451,023	37,718	73	1,488,814
Administrative technology services	117,850	-	7,900	125,750
Central services	208,687	-	-	208,687
Maintenance of plant	22,498	-	-	22,498
Capital Outlay:				
Other capital outlay	9,900	-	-	9,900
Debt Service:				
Redemption of principal	11,701	-	-	11,701
Interest	2,266	-	-	2,266
TOTAL EXPENDITURES	\$ 6,207,056	\$ 37,718	\$ 97,255	\$ 6,342,029
Excess of revenues over expenditures	1,463,517	-	-	1,463,517
Fund balance (deficit) at beginning of year	(113,553)	-	-	(113,553)
Fund balance at end of year	\$ 1,349,964	\$ -	\$ -	\$ 1,349,964

The accompanying notes are an integral part of this financial statement.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a/ THE SEED SCHOOL OF MIAMI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Change in Fund Balance - Governmental Funds	\$	1,463,517
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Amounts reported for governmental activities in the statement of activities are different because:

<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation of \$28,266 exceeded capital outlays of \$9,900.</p>		(18,366)
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<p>The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments of \$11,701 exceeded proceeds of \$0 in the current period.</p>		11,701
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Change in Net Position of Governmental Activities	\$	1,456,852
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The accompanying notes are an integral part of this financial statement.

**THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

The Miami Boarding School, Inc. d/b/a The Seed School of Miami, (the “School”) a component unit of the School Board of Miami-Dade County, Florida, a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors which is comprised of eleven members.

The SEED School of Miami is a college-preparatory, public boarding charter school for South Florida students. The School’s mission is to provide an outstanding educational program that empowers students to be successful, both academically and socially, in college and beyond. The School is the first of its kind in Florida and the third in the country, serving as a model for additional SEED schools. It was opened and is supported by The SEED Foundation (the “Foundation”), a non-profit that opened two similar schools in Washington D.C. and Maryland.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida (the “School Board”). The current charter is effective until June 30, 2021. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed for up to an additional 5 years by mutual agreement.

These financial statements are for the year ended June 30, 2017, the School’s second operating school year, when 134 students were enrolled in the 6th through 8th grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the School’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Cash and Cash Equivalents

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable

Accounts receivable consists of amounts due from contributions and donations.

Due from Other Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources and from advances made to other governmental units.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	3 Years
Motor vehicles	5 Years

Compensated Absences

The School grants a specific number of sick/personal days for all full-time 10 month and 12 month employees. Full-time 10 month and 12 month employees are eligible for a total of 7 sick days during a benefit year. Any unused sick days will be forfeited at the end of the benefit year. There is no termination payment for unused sick days. Full-time 10 month and 12 month employees are eligible for a total of 3 personal days during a benefit year. In the event that available personal time is not used by 10 month employees, they would be able to "cash out" the at the current coverage rate at the end of his or her agreement. Full-time 12 month employees are not able to "cash out" personal time. There is no termination payment for unused personal time.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated days available to be used in future benefit years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2017, was \$22,924.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2017 was \$0.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 - SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2017, the School had \$137,329 in nonspendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2017, the School had \$0 restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. At June 30, 2017, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2017, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, and committed fund balance at the end of the fiscal year by adjusting journal entries. First Non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2017, there are no minimum fund balance requirements for any of the School's funds.

Revenue Sources

Revenues for operations will be received primarily from the School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed or as restricted until used. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The School qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to 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 financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through August 31, 2017, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired partly with public funds, for the year ended June 30, 2017:

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Capital Assets				
Furniture & equipment	\$ 27,041	\$ 9,900	\$ -	\$ 36,941
Motor vehicles	82,294	-	-	82,294
Total Capital Assets	<u>\$ 109,335</u>	<u>\$ 9,900</u>	<u>\$ -</u>	<u>\$ 119,235</u>
Less Accumulated Depreciation				
Furniture & equipment	\$ (9,537)	\$ (11,411)	\$ -	\$ (20,948)
Motor vehicles	(27,075)	(16,855)	-	(43,930)
Total Accumulated Depreciation	<u>\$ (36,612)</u>	<u>\$ (28,266)</u>	<u>\$ -</u>	<u>\$ (64,878)</u>
Capital Assets, net	<u>\$ 72,723</u>	<u>\$ (18,366)</u>	<u>\$ -</u>	<u>\$ 54,357</u>

Depreciation expense for the year ended June 30, 2017, was \$28,266 and is included in fiscal services.

NOTE 4 – LOAN PAYABLES

The School purchased three vans mainly through financing. The loan payables bear interest at 5.99% and are due in monthly payments of principal and interest totaling \$1,165 and mature at various dates through May 2020. The vans are collateral on the loans. The following schedule provides a summary of changes in loan payables for the year ended June 30, 2017:

	Balance 7/1/2016	Additions	Repayments	Balance 6/30/2017
Loan payables	<u>\$ 43,134</u>	<u>\$ -</u>	<u>\$ (11,701)</u>	<u>\$ 31,433</u>

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 4 – LOAN PAYABLES (Continued)

Estimated future minimum loan payments under all loans are as follows:

<u>Year Ended June 30</u>	
2018	\$ 12,374
2019	13,136
2020	<u>5,923</u>
Total	<u>\$ 31,433</u>

NOTE 5 – DUE TO THE SEED FOUNDATION

The School was opened and is supported by the Foundation, a non-profit that opened two similar schools in Washington D.C. and Maryland. The Foundation pays for certain expenses such as certain salaries, benefits, insurance, professional fees and other expenses. In addition, the School received certain contributions on behalf of the School, which were used as reimbursement for the above costs. Finally, the School was charged a management fee by the Foundation for its services (See Notes 6 and 7). Below is a summary of changes in the Due to The SEED Foundation for the year ended June 30, 2017:

	<u>Balance</u>		<u>Balance</u>
	<u>7/1/2016</u>	<u>Additions</u>	<u>6/30/2017</u>
Due to The SEED Foundation	<u>\$ 298,280</u>	<u>\$ 2,168,640</u>	<u>\$ (2,466,050)</u>
			<u>\$ 870</u>

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The School entered into an Academic and Management agreement on February 1, 2014 with the Foundation. In accordance with the agreement, the Foundation will provide amongst other things curriculum development, staffing, guidance in finding adequate facilities or completion of construction and renovations, if any, preparation of annual budgets and monthly financial statements, human resource, information technology, and student recruitment. For the services included in the agreement, the School agrees to pay a management fee equal to 5% of the School’s annual approved expense budget. For the year ended June 30, 2017, the School was charged management fees of \$352,999. The initial term of this agreement is for five years from the effective date. It can be renewed for an additional five years following the initial term if approved by each party.

The SEED School of Miami Foundation, LLC (the “LLC”) entered into a lease agreement known as the Master Lease with Florida Memorial University (FMU) located in Miami Gardens, Florida in May 2014. Following the Master lease, the School entered into a sub-lease agreement with the LLC for the same premises known as the Sub-Lease. The term of the Sub-Lease commenced on July 1, 2014, and expired June 30, 2016. The School entered a new lease with FMU on July 1, 2016 and it shall end on June 30, 2017. The School agrees to pay an annual base rent of \$750,000 or \$187,500 on a quarterly basis in advance on the first day of each new quarter. The School will also pay all additional rent, building security, custodial service costs and meal plans payable under the Master Lease and this Sub-Lease. This plan was not renewed subsequent to year end.

The School entered into an agreement with Courtyard Miami Coconut Grove located on 2649 South Bayshore Drive, Miami, Florida for the utilization of rooms in the hotel from July 31, 2017 through December 30, 2017 for the housing of the School’s students. The hotel rooms are \$74 per room per night for a total of 9,675 room nights through the term. Payment is due at the end of each month.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 – COMMITMENTS AND CONTINGENCIES (Continued)

The SEED School of Miami Foundation, LLC. (the “LLC”) entered into a lease agreement on behalf of the School on February 2015 for the lease of school facilities located in Miami Gardens, Florida. The first payment will commence on July 1, 2015, and requires monthly lease payments of \$24,451 for the months of July 1, 2016 through January 31, 2017 and monthly payments of \$13,900 from February 1, 2017 through July 31, 2017. The term of this agreement ends July 31, 2017. This agreement was not renewed subsequent to year end.

Subsequent to year end in August 2017 the School entered into a lease agreement with The School Board of Miami-Dade County, Florida whereas the School would be allowed to use portions of the facilities located at 1901 NW 127th Street in Miami, Florida, exclusively for the construction and operation of the residential component of a college-preparatory, public boarding charter school for at-risk youth. The effective date of this agreement is August 17, 2017, and expires June 30, 2029. The School will pay an annual lease rate of \$1. The School is responsible for paying a proportionate share of the operating expenses of the facilities, which include routine building and grounds maintenance, trash pick-up, utilities and property insurance. The cost of these operating expenses will be determined based on the previous year cost at a monthly rate of \$18,334.

The School has entered into several other non-cancelable leases for office equipment. These leases began in April 2014 and expire at various times through April 2020.

Estimated future minimum lease payments under all leases are as follows:

<u>Year Ended June 30</u>	
2018	\$ 964,124
2019	230,508
2020	228,758
2021	220,008
2022	220,008
Total	<u>\$ 1,863,406</u>

NOTE 7 – RELATED PARTIES

The School is supported and managed by the Foundation (See Notes 5 and 6). During the year ended June 30, 2017, the Foundation provided revenue support of \$10,255, and is included in contributions and other grants on the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance. The School incurred \$352,999 in management fees for the year ended June 30, 2017, and at the end of the fiscal year owed the Foundation \$870.

The SEED School of Miami Foundation, LLC (the “LLC”) is a limited liability company for the purpose of serving educational and charitable purposes. The LLC qualifies as a disregarded entity within Section 501(c)(3) of the Internal Revenue Code by virtue of its relationship with its single member The SEED Foundation, Inc. During the year ended June 30, 2017, the LLC contributed \$2,046,710. At June 30, 2017, no amounts were owed to the School.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 8 – DEPOSITS POLICY AND CREDIT RISK

It is the School's policy to maintain its cash and cash equivalents in major banks and in high grade investments.

As of June 30, 2017, the carrying amount of the School's operating cash deposit accounts was \$1,276,090 and the bank balance totaled \$1,312,015. At various times, balances held in financial institutions may exceed the Federal Depository Insurance Corporation (FDIC) limit.

NOTE 9 – RETIREMENT PLAN

The School started a 403(B) Retirement Plan (the "Plan") during the year ended June 30, 2015. Employees of the School are eligible to join the Plan once employed by the School on the first day of the following month hired. The School, at its discretion, may elect to match part of employee contributions based on salary deferrals and pay as of the end of the pay period. Employer contributions can change annually, however, all contributions made by employees and by the School are 100% vested at the time of contribution. The School contributed \$98,579, or 3% of eligible employee wages plus 50% of employee contributions up to 6% for the year ended June 30, 2017.

NOTE 10 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

NOTE 11 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

REQUIRED SUPPLEMENTAL INFORMATION

THE MIAMI BOARDING SCHOOL, INC.

d/b/a/ THE SEED SCHOOL OF MIAMI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2017

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Revenue from state sources	\$ 711,965	\$ 746,700	\$ 859,977
Contributions and other grants	3,130,000	3,130,000	3,383,403
Other miscellaneous state revenues	3,381,040	3,381,040	3,407,310
Other income	-	-	19,883
TOTAL REVENUES	\$ 7,223,005	\$ 7,257,740	\$ 7,670,573
EXPENDITURES			
Instruction	\$ 1,326,403	\$ 1,299,470	\$ 1,092,798
Instructional support services	2,212,927	2,194,740	1,798,922
School administration	714,471	520,261	484,962
Fiscal services	654,376	633,689	539,210
Food services	118,598	214,560	311,868
Pupil transportation services	197,600	197,600	155,371
Operation of plant	1,548,855	1,689,460	1,451,023
Administrative technology services	110,875	113,035	117,850
Central services	334,949	390,588	208,687
Maintenance of plant	3,750	4,875	22,498
Debt service	-	-	13,967
Other capital outlay	-	-	9,900
TOTAL EXPENDITURES	\$ 7,222,804	\$ 7,258,278	\$ 6,207,056
Change in fund balance before other financing sources	201	(538)	1,463,517
Other financing sources	-	-	-
Net change in fund balance	\$ 201	\$ (538)	\$ 1,463,517

See accompanying note to the required supplemental information.

THE MIAMI BOARDING SCHOOL, INC.

d/b/a/ THE SEED SCHOOL OF MIAMI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Federal through state and local	\$ 191,056	\$ 95,094	\$ 97,255
TOTAL REVENUES	<u>\$ 191,056</u>	<u>\$ 95,094</u>	<u>\$ 97,255</u>
EXPENDITURES			
Instruction	\$ 26,933	\$ 26,933	\$ 31,379
Instructional support services	2,992	2,992	2,991
School administration	-	-	525
Food services	161,131	65,169	54,387
Operation of plant	-	-	73
Administrative technology services	-	-	7,900
TOTAL EXPENDITURES	<u>\$ 191,056</u>	<u>\$ 95,094</u>	<u>\$ 97,255</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

THE MIAMI BOARDING SCHOOL, INC.

d/b/a/ THE SEED SCHOOL OF MIAMI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2017

	Capital Projects Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
State capital outlay funding	\$ 29,035	\$ 29,035	\$ 37,718
TOTAL REVENUES	<u>\$ 29,035</u>	<u>\$ 29,035</u>	<u>\$ 37,718</u>
EXPENDITURES			
Operation of plant	\$ 29,035	\$ 29,035	\$ 37,718
TOTAL EXPENDITURES	<u>\$ 29,035</u>	<u>\$ 29,035</u>	<u>\$ 37,718</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2017, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general, capital project, and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors of
The Miami Boarding School, Inc.
d/b/a The Seed School of Miami
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of The Miami Boarding School, Inc. d/b/a The Seed School of Miami (the “School”), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated August 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

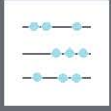
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Verdeja DeArmas Trujillo".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 31, 2017



MANAGEMENT LETTER

Board of Directors of
The Miami Boarding School, Inc.
d/b/a The Seed School of Miami
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of The Miami Boarding School, Inc. d/b/a The Seed School of Miami (the “School”), a non-major component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated August 31, 2017.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reports and Schedules

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated August 31, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report as noted under the heading Prior Year Findings and Recommendations in Other Matters.

Official Title

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 The Miami Boarding School, Inc. d/b/a The Seed School of Miami.

Financial Condition

Sections 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the 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. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2016 is not deteriorating.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School did not maintain the most recent governing board minutes on its web site. Moving forward, the School will post the required information to their website.

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.

Status of Prior Year Findings and Recommendations

2016-1: Total fund balance deficit: A total fund balance deficit was not noted in the current year, and therefore, finding was not issued.

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.

Purpose of this Letter

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 31, 2017