

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

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

**BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION**

JUNE 30, 2022

**THE MIAMI BOARDING SCHOOL, INC.**  
**d/b/a THE SEED SCHOOL OF MIAMI**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2022**

**TABLE OF CONTENTS**

	PAGES
General Information.....	1
<b>BASIC FINANCIAL STATEMENTS</b>	
Independent Auditor’s Report.....	2-4
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	5-15
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statement:</i>	
Statement of Net Position.....	16
Statement of Activities.....	17
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	18
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	21
<i>Notes to Basic Financial Statements</i> .....	22-31
<b>Required Supplemental Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	32
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Fund.....	33
<i>Notes to Required Supplemental Information</i> .....	34
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	35-36
Management Letter.....	37-38

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

1901 NW 127<sup>th</sup> Street  
Miami, FL 33167  
(855) 818-7333

**2021-2022**

**BOARD OF DIRECTORS**

Melanie Damian, President, Title Secretary  
Virginia Emmons, Title Director  
Tery Medina, Title Director  
Tom Culmo, Title Director  
Stuart Israelson, Director  
Dorothy Terrell, Director  
Carol Cope, Director  
Jason Bloch, Director  
Pat Gannon, Director

**SCHOOL ADMINISTRATION**

Mrs. Kara A. Locke, Head of School



## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Miami Boarding School, Inc., d/b/a The SEED School of Miami (the "School"), a charter school and a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The Miami Boarding School, Inc., d/b/a The SEED School of Miami, as of June 30, 2022, 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.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2022 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2022

**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, 2022.

**FINANCIAL HIGHLIGHTS**

1. The School had a change in net position of \$604,787 for the fiscal year end at June 30, 2022 and the School’s net position was \$6,193,149.
2. At year-end, the School had current assets of \$1,864,105.
3. The School had a fund balance at June 30, 2022 of \$1,572,652.

*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, 2022 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 16-17 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 all of its governmental funds. 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 18-21 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 22-31 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, 2022 and 2021:

<b>Assets</b>	2022	2021
Cash	\$ 820,884	\$ 2,621,125
Certificate of deposits	618,961	618,961
Accounts receivable	424,260	-
Due from The SEED Foundation	-	29,478
Deposits held in escrow	300,674	3,240,000
Capital assets, net	11,311,604	9,399,099
Total Assets	\$ 13,476,383	\$ 15,908,663
<b>Liabilities and Net Position</b>		
Accounts payable and accrued expenses	\$ 284,127	\$ 548,520
Due to The SEED Foundation	7,326	-
Long-term debt	6,991,781	9,771,781
Total Liabilities	7,283,234	10,320,301
Net investment in capital assets, net of related debt	4,770,497	3,857,318
Unrestricted	1,422,652	1,731,044
Total Net Position	6,193,149	5,588,362
Total Liabilities and Net Position	\$ 13,476,383	\$ 15,908,663



Below is a summary and analysis of the School's revenues and expenses for the year ended June 30, 2022 and 2021:

<b>REVENUES</b>	<u>2022</u>	<u>2021</u>
Program revenues		
Contributions and other grants	\$ 2,223,741	\$ 1,182,510
Other miscellaneous state revenues	8,387,487	8,422,933
General revenues		
FEFP nonspecific revenue	1,998,196	2,006,257
Other income	1,149,364	1,136,489
Total Revenues	<u>\$ 13,758,788</u>	<u>\$ 12,748,189</u>
<b>EXPENSES</b>		
Instruction	\$ 3,324,588	\$ 2,889,887
Instructional support services	3,077,739	2,995,358
School administration	658,844	674,449
Fiscal services	1,155,817	1,158,266
Food services	298,156	139,327
Pupil transportation services	126,477	60,940
Operation of plant	2,046,725	1,674,543
Administrative technology services	376,499	336,428
Maintenance of plant	177,656	148,663
Central services	510,514	502,339
Interest expense	355,776	186,864
Depreciation expense	1,045,210	188,270
Total Expenses	<u>13,154,001</u>	<u>10,955,334</u>
Change in Net Position	604,787	1,792,855
<b>Net Position at Beginning of Year</b>	<u>5,588,362</u>	<u>3,795,507</u>
<b>Net Position at End of Year</b>	<u>\$ 6,193,149</u>	<u>\$ 5,588,362</u>

# WHO IS SEED MIAMI?

## OUR STUDENTS

SEED recruits a diverse population of students from South Florida's under-resourced communities. Nationally, SEED graduates are approximately 80% first-generation college-bound. We proudly serve students across five counties: Miami-Dade, Broward, Collier, Palm Beach, and Monroe.



Per state statute, students eligible for SEED Miami meet the following guidelines:

- Be a resident of the state of Florida; eligible to attend school in a participating school district
- Be from a family whose gross income is at or below 200% of the federal poverty guidelines
- Be eligible for benefits or services funded by Temporary Assistance for Needy Families (TANF) or Title IV-E of the Social Security Act.

Eligible students must also meet at least one of the following criteria:

- The child is covered under the terms of the state's Child Welfare Waiver Demonstration project.
- The child is in foster care or has been declared an adjudicated dependent.
- A member of the student's immediate family has been incarcerated.
- The student resides in a household that receives a housing voucher or has been determined eligible for public housing assistance.
- The student's head of household is not the student's custodial parent.

## 2021 - 22 STUDENT DEMOGRAPHICS:



**33%**  
STUDENTS WITH AN  
INCARCERATED  
FAMILY MEMBER



**45%**  
COVERED BY CHILD  
WELFARE WAIVER  
DEMONSTRATION  
PROJECT



**97%**  
ELIGIBLE FOR  
PUBLIC HOUSING

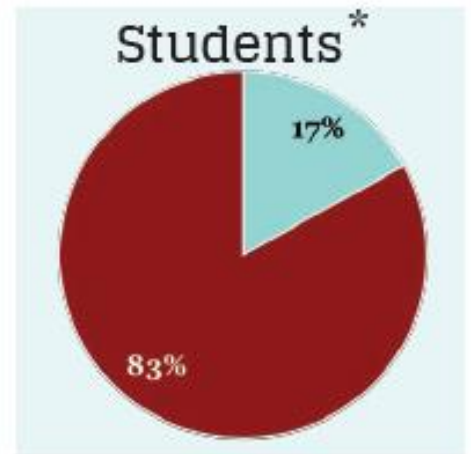
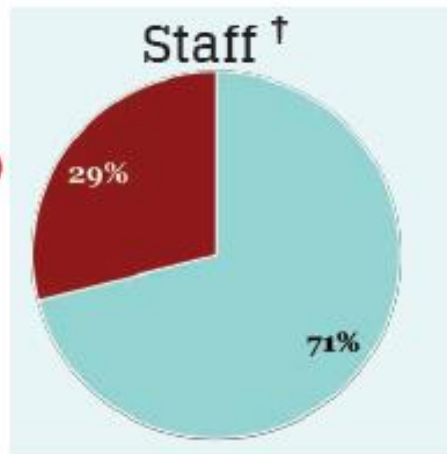


# 2021-2022 STAFF & STUDENT DEMOGRAPHICS



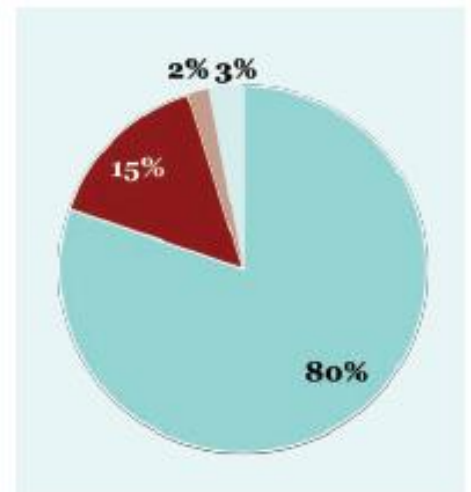
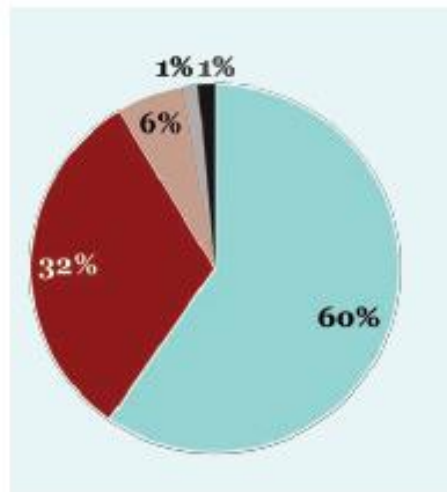
## HISPANIC/LATINO IDENTITY

- Hispanic & Latino
- Not Hispanic & Latino



## RACIAL IDENTITY

- Black/African American
- Caucasian
- Multiracial
- Not Specified
- Asian
- American Indian/Alaska Native



†As self-reported by SEED Staff  
\*As self-reported by SEED Guardians

# ACADEMIC RIGOR

SEED Miami's curriculum is designed to provide students with the advanced academic skills needed to overcome existing barriers, persist through challenges, and succeed in college and beyond. It is grounded in the philosophy that we must clearly articulate the competencies and skills that every student should have upon entering college and then backmap those throughout every grade level. SEED Miami's curriculum is standards-based and aligned to Benchmarks for Excellent Student Thinking (B.E.S.T.) Standards.



## SCHOOL IMPROVEMENT RATING

YEAR	RATING
2016	MAINTAINING
2017	MAINTAINING
2018	MAINTAINING
2019	MAINTAINING
2020	*
2021	*
2022	MAINTAINING

SEED Miami earns an annual school improvement rating based on student learning gains for English language arts and mathematics. SEED Miami has consistently scored a rating of "Maintaining" which indicates a sufficient percentage of our students are making Learning Gains.

\*School Improvement Ratings were not calculated in 2020 or in 2021.



## DUAL ENROLLMENT PROGRAM

The 2021-22 academic school year was the inaugural year of our dual enrollment program. During the Fall 2021 semester, SEED Miami partnered with the National Education Equity Lab to offer three SEED Miami seniors enrollment in Arizona State University's ENG 194 course, Poetry In America: From Whitman to Hip Hop. Our scholars, with the support of their on-campus co-teacher, were ranked in the top 5 out of 100 schools enrolled in the course nationally. During the Spring 2022 semester, two of our scholars were enrolled in an on-site dual enrollment Public Speaking course at Florida International University and eight scholars were enrolled in a Writing for College & Beyond online course offered through Stanford University. Once again, SEED scholars were top performers, including one student named course valedictorian. SEED was selected as a 2022 National Equity Lab School of Excellence, a significant honor given to the highest performing schools in the nation.



# ACADEMIC RIGOR CONTINUED



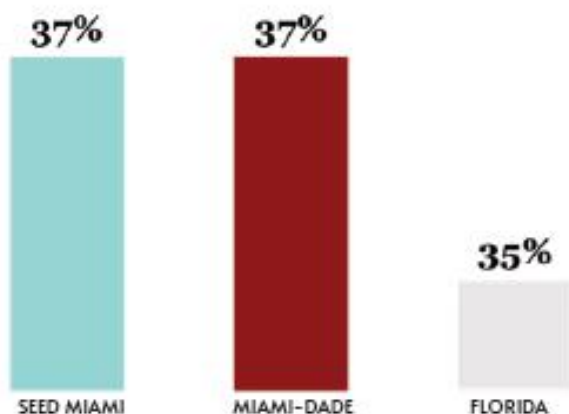
## DROP EVERYTHING AND READ (D.E.A.R.)

After the school day, students “Drop Everything and Read” (D.E.A.R.) in their dorms with Student Life Counselors monitoring their progress every day for a minimum of 30 minutes. Students read independently with books of their choice or a Just Right Book at their specific reading level.



## ALGEBRA I EOC RESULTS

Algebra I EOC First-time 9th Grade Testers,  
Percentage of Students Scoring Level 3+



The Algebra I End-of-Course Exam (EOC) was administered to all 9th grade students at SEED Miami in Spring 2022. The assessment is designed to measure a student’s level of success with the content of the State Standards in Algebra. **SEED Miami’s first time 9th grade Algebra I testers outperformed their counterparts across Florida and scored on par with their Miami-Dade County counterparts.**

# STUDENT LIFE PROGRAMMING

SEED's supportive learning environment extends well beyond the classroom. SEED Miami's Student Life program is the boarding component of the 24-hour day, and offers enrichment activities, life skills instruction, and academic support before and after the traditional school day.



## HABITS FOR ACHIEVING LIFE LONG SUCCESS

Development of HALLS (Habits for Achieving Life Long Success) is an integral part of the SEED experience instilling in students the characteristics that prepare them both academically and socially for success in college. Students take part in HALLS lessons weekly, focusing on habits that guide SEED students toward success in attaining college, career, and life goals while providing the SEED schools with a common vocabulary for this important part of the school culture. Examples of HALLS topics may include: cooperation, communication skills, courage and tenacity.



## SPARKS: ATHLETICS, CLUBS, & ARTS

SPARKS is defined by The Search Institute as "the talents, hobbies, and interests of young people." SPARKS serve as a social and recreational outlet for students, an opportunity to learn a new skill or craft, and a means to connect with others. By exploring new SPARKS while further developing existing ones, students broaden their knowledge of the world and of themselves. SPARKS offered at SEED Miami include:

- Experiment in Coding & Tech
- Photography
- Arts & Craft
- Afrobeat dance
- Performing Arts
- Chess
- Robotics
- Basketball
- Football
- Cooking
- Soccer
- Gardening
- Comic Art
- Yearbook
- Fitness
- Cheerleading
- Origami
- Bowling



# SEED MIAMI GRADUATES

SEED Miami has had two cohorts of graduates, the Class of 2021 and the Class of 2022. **100% of all SEED Miami graduates were accepted into a 2 or 4-year institution.** This fall, our inaugural graduating class is gearing up for their sophomore year at college, while our second graduating class will be starting their freshman year. See below to learn more about the colleges and universities our students chose!



SEED Miami Graduates have matriculated to 14 colleges & universities across 4 states & Washington, D.C.



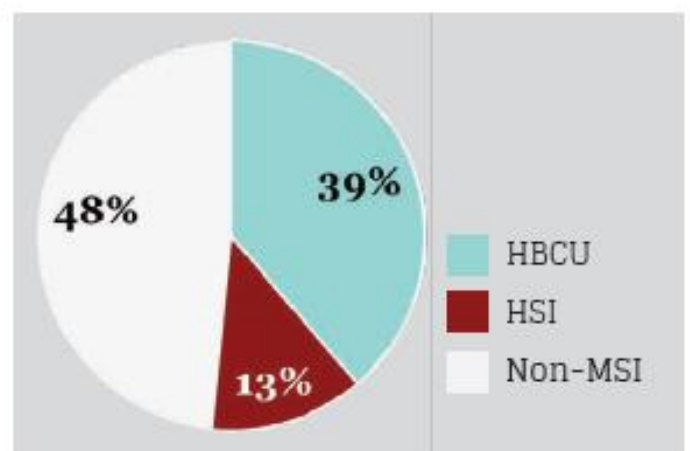
## INSTITUTION TYPE

The majority of SEED Miami students have chosen to attend a minority-serving institution (MSI). Our graduates are attending the following Historically Black Colleges and Universities (HBCUs):

- Bennett College
- Bethune-Cookman University
- Elizabeth City State University
- Florida Agricultural and Mechanical University
- Howard University

and Hispanic-serving institutions (HSIs):

- Florida International University
- Miami-Dade College



# CLASS OF 2022



The Class of 2022 is a resilient group of scholars full of promise, each with unique talents, ambitious career aspirations, and an energetic spirit, who have achieved so much! They brought tremendous joy to our school community, and confidence knowing the future is in great hands as they continue their collegiate journey with a tireless commitment to excellence. As our Valedictorian Zoe highlighted, the Class of 2022 is going to "set the world on fire!"

Among the many incredible accomplishments of this group of scholars, we are so proud to share that:

- 100% of our Seniors have been accepted into 2 or more endorsed colleges. In fact, of the 381 total applications submitted to colleges and universities, the Class of 2022 has received over 240 acceptances into collegiate programs.
- Zoe, Valedictorian and Carson Scholar, was one of three recipients awarded the prestigious George W. Jenkins Scholarship to attend the University of Miami with an annual value of more than \$75,000.
- Class Salutatorian and Carson Scholar, Rose, earned the Machen Florida Opportunity Scholarship which provides recipients a full grant and scholarship package to earn their bachelor's degree at The University of Florida.
- SEED Miami graduates earned \$2 Million in scholarships and grants, including over \$67,000 awarded to our graduates by the SEED Foundation and SEED Miami Champions.





## **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.

## **SCHOOL LOCATION**

The School operates in the Miami area located at 1901 NW 127<sup>th</sup> Street, Miami, FL 33167.

## **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 governmental funds reported a decrease of \$1,148,392 in fund balance and had an ending fund balance of \$1,572,652.

## **CAPITAL ASSETS**

The School's investment in capital assets, as of June 30, 2022, amounts to \$11,311,604 (net of accumulated depreciation). This investment in capital assets includes construction in progress of new modular, furniture, equipment and motor vehicles.

## **CONSTRUCTION NOTE PAYABLE**

In December 2018, the School obtained a construction promissory note payable for an amount up to \$9,066,372 for the construction of the mobile and modular facilities. This loan was later amended to \$6,887,701 in April 2022. The entire principal and any interest accrued outstanding will be due on December 3, 2025. The loan is collateralized by the mobile and modular facilities. The note bears interest at 4.31%. The balance at June 30, 2022, was \$5,541,781.

## **BUDGETARY HIGHLIGHTS**

The general fund and special revenue fund budget for the fiscal year ended June 30, 2022, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the School may revise the final budget. For the fiscal year ended June 30, 2022, the actual expenditures were equal to the final budget. Refer to the Budgetary Comparison Schedules on pages 32 to 33 for additional information.

**THE MIAMI BOARDING SCHOOL, INC.**  
**d/b/a THE SEED SCHOOL OF MIAMI**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

---

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 820,884
Certificate of deposit	618,961
Accounts receivables	424,260
<b>TOTAL CURRENT ASSETS</b>	<u>1,864,105</u>
<b>CAPITAL ASSETS</b>	11,311,604
Deposits held at the Foundation	<u>300,674</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 13,476,383</u></u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 284,127
Due to The SEED Foundation	7,326
Loan payable - The SEED Foundation	1,300,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,591,453</u>
SBA loan payable	150,000
Construction note payable - long term portion	5,541,781
<b>TOTAL LIABILITIES</b>	<u>7,283,234</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	4,770,497
Unrestricted net position	1,422,652
<b>TOTAL NET POSITION</b>	<u>6,193,149</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 13,476,383</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, 2022**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 3,324,588	\$ -	\$ 159,320	\$ -	\$ (3,165,268)
Instructional support services	3,077,739	-	-	-	(3,077,739)
School administration	658,844	-	-	-	(658,844)
Fiscal services	1,155,817	-	-	-	(1,155,817)
Food services	298,156	-	-	-	(298,156)
Pupil transportation services	126,477	-	-	-	(126,477)
Operation of plant	2,046,725	-	-	-	(2,046,725)
Maintenance of plant	177,656	-	-	-	(177,656)
Administrative technology service	376,499	-	-	-	(376,499)
Central services	510,514	-	-	-	(510,514)
Interest expense	355,776	-	-	-	(355,776)
Depreciation expense	1,045,210	-	-	-	(1,045,210)
<b>Total Governmental Activities</b>	<b>\$ 13,154,001</b>	<b>\$ -</b>	<b>\$ 159,320</b>	<b>\$ -</b>	<b>\$ (12,994,681)</b>
GENERAL REVENUES:					
					\$ 2,064,421
					8,387,487
					1,998,196
					1,149,364
					<u>13,599,468</u>
					604,787
					<u>5,588,362</u>
					<u>\$ 6,193,149</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**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

---

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 820,884	\$ -	\$ -	\$ 820,884
Certificate of deposit	618,961	-	-	618,961
Accounts receivables	424,260	-	-	424,260
<b>TOTAL ASSETS</b>	<b>\$ 1,864,105</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,864,105</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 284,127	\$ -	\$ -	\$ 284,127
Due to The SEED Foundation	7,326	-	-	7,326
<b>TOTAL LIABILITIES</b>	<b>291,453</b>	<b>-</b>	<b>-</b>	<b>291,453</b>
<b>FUND BALANCE</b>				
Unassigned	1,572,652	-	-	1,572,652
<b>TOTAL FUND BALANCE</b>	<b>1,572,652</b>	<b>-</b>	<b>-</b>	<b>1,572,652</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,864,105</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,864,105</b>

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, 2022**

---

Total Fund Balance - Governmental Funds \$ 1,572,652

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Capital assets	13,027,369
Accumulated depreciation	(1,715,765)

Other assets held for construction	300,674
------------------------------------	---------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

SBA loan payable	(150,000)
Loan payable-The SEED Foundation	(1,300,000)
Loan payable	(5,541,781)

Total Net Position - Governmental Activities	\$ 6,193,149
--	--------------

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, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Revenue from state sources	\$ 1,998,196	\$ -	\$ 1,998,196
Contributions and other grants	2,064,421	-	2,064,421
Other miscellaneous state revenues	8,387,487	-	8,387,487
Federal through state and local	-	159,320	159,320
Interest and other income	69,364	-	69,364
<b>TOTAL REVENUES</b>	<b>\$ 12,519,468</b>	<b>\$ 159,320</b>	<b>\$ 12,678,788</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	\$ 3,165,263	\$ 159,320	\$ 3,324,583
Instructional support services	3,077,739	-	3,077,739
School administration	658,844	-	658,844
Facilities acquisition and construction	112,466	-	112,466
Fiscal services	1,155,817	-	1,155,817
Food services	298,156	-	298,156
Pupil transportation services	126,477	-	126,477
Operation of plant	2,046,725	-	2,046,725
Administrative technology services	376,499	-	376,499
Central services	510,514	-	510,514
Maintenance of plant	177,656	-	177,656
Capital Outlay:			
Other capital outlay	120,928	-	120,928
Debt Service:			
Redemption of principal	1,485,000	-	1,485,000
Interest	355,776	-	355,776
<b>TOTAL EXPENDITURES</b>	<b>13,667,860</b>	<b>159,320</b>	<b>13,827,180</b>
Excess of expenditures over revenues	(1,148,392)	-	(1,148,392)
<b>OTHER FINANCING SOURCES</b>			
Proceeds from long-term financing	-	-	-
Total other financing sources	-	-	-
Net change in fund balance	(1,148,392)	-	(1,148,392)
Fund balance at beginning of year	2,721,044	-	2,721,044
Fund balance at end of year	<u>\$ 1,572,652</u>	<u>\$ -</u>	<u>\$ 1,572,652</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**  
**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, 2022**

---

Change in Fund Balance - Governmental Funds \$ (1,148,392)

Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlays	233,394
Depreciation expense	(1,045,215)

The proceeds from loans and note payables provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Repayments of principal	1,485,000
Forgiveness of debt	1,080,000

Change in Net Position of Governmental Activities	\$ 604,787
---	------------

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, 2022**

---

**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

The Miami Boarding School, Inc. d/b/a The Seed School of Miami, (the “School”) is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “District”). The School’s charter is held by The Miami Boarding School, Inc., 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 ten 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 not-for-profit corporation 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, 2028. 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, 2022, the School’s sixth operating school year, when approximately 290 students were enrolled in the 6<sup>th</sup> through 12<sup>th</sup> 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 under standards set by the Governmental Accounting Standards Board (“GASB”).

**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. These statements do not include fiduciary funds.

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, 2022**

---

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 uses 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). Any revisions to the annual budget are approved by the Board.

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, 2022**

---

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.

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, 2022, was \$4,770,497.
- 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, 2022 was \$0.
- Unrestricted – all other net position is reported in this category.

**THE MIAMI BOARDING SCHOOL, INC.**  
**d/b/a THE SEED SCHOOL OF MIAMI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

---

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2022, the School had \$0 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, 2022, 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, 2022, 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, 2022, 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, 2022, 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 (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 FTE students reported by the School during the designated FTE 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, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Miami Boarding School, Inc. 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 September 15, 2022, 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, 2022:

	Balance			Balance
	July 1, 2021	Additions	Deletions/Transfers	June 30, 2022
Capital Assets				
Building and improvements	\$ -	\$ -	\$ 12,001,471	\$ 12,001,471
Furniture and equipment	822,676	120,928	-	943,604
Motor vehicles	82,294	-	-	82,294
Construction in progress	9,164,679	2,836,792	(12,001,471)	-
Total Capital Assets	<u>10,069,649</u>	<u>2,957,720</u>	<u>-</u>	<u>13,027,369</u>
Less Accumulated Depreciation				
Building and improvements	\$ -	\$ (903,245)	\$ -	\$ (903,245)
Furniture and equipment	(588,256)	(141,970)	-	(730,226)
Motor vehicles	(82,294)	-	-	(82,294)
Total Accumulated Depreciation	<u>(670,550)</u>	<u>(1,045,215)</u>	<u>-</u>	<u>(1,715,765)</u>
Capital Assets, net	<u>\$ 9,399,099</u>	<u>\$ 1,912,505</u>	<u>\$ -</u>	<u>\$ 11,311,604</u>

Depreciation expense for the year ended June 30, 2022, was \$1,045,210 and was allocated to fiscal services. In 2017, the School entered into three separate contracts to build mobile and modular facilities at its campus. The approximate total of these signed contracts with change orders is approximately \$14,100,000. As of June 30, 2022, there were \$12,001,471, related to these costs included in construction in progress that were transferred to building and improvements (See Notes 4 through 6).

**THE MIAMI BOARDING SCHOOL, INC.**  
**d/b/a THE SEED SCHOOL OF MIAMI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

---

**NOTE 4 – DEPOSITS HELD IN ESCROW**

The School entered into an escrow agreement with the District through the Foundation during the year ended June 30, 2019. The purpose of the escrow is to ensure sufficient funding for the design and construction services as set forth in the agreement between the School and the District for the construction of the mobile and modular facilities at the campus. The School had transferred through an agreement with the Foundation \$3,240,000 (See Note 5) to the District. The District returned the funds back to the Foundation and the amount held by the Foundation on behalf of the School was \$300,674 at June 30, 2022. These funds are used to pay interest and principal on the loan payable from the Foundation.

**NOTE 5 – LOAN PAYABLE TO THE SEED FOUNDATION**

In January 2019, the School entered into a loan agreement with the Foundation to borrow up to an additional \$4,200,000 for the construction of the mobile and modular facilities. The use of the funds will be solely for the purpose of placing funds into an escrow account (See Note 4). The loan bears interest at 5.25% and requires quarterly interest only payments until the maturity of the loan. All principal amounts outstanding are due at maturity two years from the agreement date. The School intends to repay the full amount of the loans through commitments through a fundraising campaign.

The following schedule provides a summary of changes for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Repayments	Balance June 30, 2022
Loan payable	\$ 3,000,000	\$ -	\$ (1,700,000)	\$ 1,300,000

Future maturities are as follows:

<u>Year Ended June 30,</u>	
2023	\$ 1,300,000
Total	\$ 1,300,000

**NOTE 6 – CONSTRUCTION NOTE PAYABLE TO FINANCIAL INSTITUTION**

In December 2018, the School obtained a construction promissory note payable for an amount up to \$9,066,372 for the construction of the mobile and modular facilities. In April 2022, the promissory note was amended to reduce the total amount payable to \$6,887,701 bearing interest at a fixed rate of 4.31% through the maturity date on December 3, 2025. The loan requires monthly principal and interest payments of \$52,242 commencing in January 2023. The entire principal and any interest accrued outstanding will be due on December 3, 2025. The loan is collateralized by the mobile and modular facilities. The balance at June 30, 2022, was \$5,541,781. The School was in compliance with a debt service coverage ratio of no less than 1.00x.

The following schedule provides a summary of changes for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Repayments	Balance June 30, 2022
Loan payable	\$ 5,541,781	\$ -	\$ -	\$ 5,541,781

**THE MIAMI BOARDING SCHOOL, INC.**  
**d/b/a THE SEED SCHOOL OF MIAMI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

---

NOTE 6 – CONSTRUCTION NOTE PAYABLE TO FINANCIAL INSTITUTION (Continued)  
 Future maturities are as follows:

<u>Year Ended June 30,</u>	
2023	\$ 167,028
2024	345,030
2025	360,198
2026	<u>4,669,525</u>
Total	<u>\$ 5,541,781</u>

NOTE 7 – NOTE PAYABLE

The School received loan proceeds of \$1,080,000 through the Paycheck Protection Program (“PPP”) in March 2021. The loan proceeds are to be used for payroll, rent, utilities and interest expense. The loan and accrued interest for this loan were forgiven in the current fiscal year end and the entire amount of \$1,080,000 was included in other income on the statement of activities.

NOTE 8 – SBA NOTE PAYABLE

The School obtained a loan from the Small Business Act (“SBA”) in the amount of \$150,000 in July 2020. The loan payables bear interest at 2.75% and are due in monthly payments of principal and interest totaling \$641 commencing twelve months from the date of the loan. The start date of the loan payments were extended to July 2022. The loan matures in July 2050. The following schedule provides a summary of changes in loan payables for the year ended June 30, 2022:

	<u>Balance</u>			<u>Balance</u>
	July 1, 2021	Additions	Repayments	June 30, 2022
SBA loan payable	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>

Future maturities are as follows:

<u>Year Ended June 30,</u>	
2023	\$ 3,712
2024	3,816
2025	3,921
2026	4,031
2027 and Thereafter	<u>134,520</u>
Total	<u>\$ 150,000</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, 2022**

---

**NOTE 9 – LETTER OF CREDIT**

The School obtained an irrevocable letter of credit from a financial institution in the amount not to exceed \$618,961 with The School Board of Miami-Dade County, Florida for the construction of the modular facilities. The letter is dated in June 2019 and is automatically extended annually until completion of the modular project. The modular project was not completed as of June 30, 2022.

**NOTE 10 – DUE TO THE SEED FOUNDATION AND RELATED PARTIES**

The School was opened and is supported by the Foundation, a non-for-profit corporation that opened two similar schools in Washington D.C. and Maryland. 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, 2022, the School was charged management fees of \$613,617. 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 amount due to The SEED Foundation at June 30, 2022 was \$7,326.

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

The School entered into a ground and operating 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 127<sup>th</sup> 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 \$49,759 for the ground lease agreement. 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 the operating lease agreement will be determined based on the previous year costs. For the year ended June 30, 2022, the total amount paid for the year ended June 30, 2022 was \$167,486.

**NOTE 12 – DEPOSITS POLICY AND CREDIT RISK**

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. Bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2022, bank balances in potential excess of FDIC coverage was \$2,194,310.

**NOTE 13 – 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 \$235,014, or 3% of eligible employee wages plus 50% of employee contributions up to 6% for the year ended June 30, 2022.

**THE MIAMI BOARDING SCHOOL, INC.**  
**d/b/a THE SEED SCHOOL OF MIAMI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

---

**NOTE 14 – 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 15 – 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, 2022**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Revenue from state sources	\$ 2,039,486	\$ 1,998,196	\$ 1,998,196
Contributions and other grants	930,500	2,064,421	2,064,421
Other miscellaneous state revenues	9,049,893	8,387,487	8,387,487
Other income	39,688	69,364	69,364
<b>TOTAL REVENUES</b>	<b>\$ 12,059,567</b>	<b>\$ 12,519,468</b>	<b>\$ 12,519,468</b>
<b>EXPENDITURES</b>			
Instruction	\$ 3,385,871	\$ 3,165,263	\$ 3,165,263
Instructional support services	3,489,573	3,077,739	3,077,739
Facilities acquisition and construction	-	112,466	112,466
School administration	800,949	658,844	658,844
Fiscal services	1,289,260	1,155,817	1,155,817
Food services	198,349	298,156	298,156
Pupil transportation services	155,000	126,477	126,477
Operation of plant	1,833,171	2,046,725	2,046,725
Administrative technology services	307,547	376,499	376,499
Central services	474,887	510,514	510,514
Maintenance of plant	115,000	177,656	177,656
Debt service	-	1,840,776	1,840,776
Other capital outlay	-	120,928	120,928
<b>TOTAL EXPENDITURES</b>	<b>12,049,607</b>	<b>13,667,860</b>	<b>13,667,860</b>
Change in fund balance before other financing sources	9,960	(1,148,392)	(1,148,392)
Other financing sources	-	-	-
Net change in fund balance	<b>\$ 9,960</b>	<b>\$ (1,148,392)</b>	<b>\$ (1,148,392)</b>

See accompanying note to the required supplemental information.

**THE MIAMI BOARDING SCHOOL, INC.  
D/B/A THE SEED SCHOOL OF MIAMI  
CHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET  
AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal through state and local	\$ 187,000	\$ 159,320	\$ 159,320
National School Lunch Program	378,432	-	-
<b>TOTAL REVENUES</b>	<b>565,432</b>	<b>159,320</b>	<b>159,320</b>
<b>EXPENDITURES</b>			
Instruction	187,000	159,320	159,320
Food services	378,432	-	-
<b>TOTAL EXPENDITURES</b>	<b>565,432</b>	<b>159,320</b>	<b>159,320</b>
Change in fund balance before other financing sources	-	-	-
Other financing sources	-	-	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying note to the required supplemental information.

**THE MIAMI BOARDING SCHOOL, INC.  
D/B/A THE SEED SCHOOL OF MIAMI  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

---

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, 2022, 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 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 AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

---

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, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 15, 2022.

### 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 black ink that reads "Verdy-De Amici-Trujillo-Alvarez". The signature is written in a cursive style and is positioned above a light gray rectangular box.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2022



## 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, 2022, and have issued our report thereon dated September 15, 2022.

### 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 Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 15, 2022, 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. There were no findings or recommendations made in the preceding audit report.

### Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is The Miami Boarding School, Inc. d/b/a The Seed School of Miami and #136018.

## **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the 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, 2022 is not deteriorating.

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

## **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintains the most recent governing board minutes on its website.

## **Additional Matters**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2022