

**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, 2024

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2024

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

1901 NW 127th Street
Miami, FL 33167
(855) 818-7333

2023-2024

BOARD OF DIRECTORS

Melanie Damian, Title Chairman, Director
Thomas Culmo, Title Treasurer, Director
Virginia Emmons, Title Director
Nancy Hector, Title Director
Stuart Israelson, Title Director
Dorothy Terrell, Title Director
Zoe Leader, Title Director
Andi Potamkin, Title Director
Jason Bloch, Title Director
Patrick Gannon, Chair of the Finance Committee
Jon Tucker, Title Director
Alise Johnson, Title Director
Mark Smith, Title Director
Alison Harke, Title Director

SCHOOL ADMINISTRATION

Dr. Leah Skinner, 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, 2024, 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, 2024, 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 12, 2024 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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 12, 2024

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, 2024.

FINANCIAL HIGHLIGHTS

1. The School had a increase in net position of \$332,424 for the fiscal year end at June 30, 2024 and the School’s net position was \$5,869,935.
2. At year-end, the School had current assets of \$3,119,865.
3. The School had a fund balance at June 30, 2024 of \$2,660,699.

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, 2024 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 20-21 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 22-25 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 26-34 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, 2024 and 2023:

Assets	<u>2024</u>	<u>2023</u>
Cash	\$ 1,095,979	\$ 383,401
Certificate of deposits	639,761	621,167
Accounts receivable	1,219,074	1,481,398
Prepaid expenses	165,051	-
Right-to-use assets, net	277,250	-
Capital assets, net	10,841,073	11,018,697
Total Assets	<u>\$ 14,238,188</u>	<u>\$ 13,504,663</u>
Liabilities and Net Position		
Accounts payable and accrued expenses	\$ 345,611	\$ 1,259,630
Due to The SEED Foundation	113,555	108,106
Right-to-use liability	277,250	-
Long-term debt	7,631,837	6,599,416
Total Liabilities	<u>8,368,253</u>	<u>7,967,152</u>
Net investment in capital assets, net of related debt	4,107,313	4,569,281
Restricted	639,761	621,167
Unrestricted	1,122,861	347,063
Total Net Position	<u>5,869,935</u>	<u>5,537,511</u>
Total Liabilities and Net Position	<u>\$ 14,238,188</u>	<u>\$ 13,504,663</u>

Below is a summary and analysis of the School's revenues and expenses for the year ended June 30, 2024 and 2023:

REVENUES	<u>2024</u>	<u>2023</u>
Program revenues		
Contributions and other grants	\$ 1,425,941	\$ 1,986,414
Other miscellaneous state revenues	11,678,738	9,584,482
General revenues		
FEFP nonspecific revenue	1,918,033	2,136,592
Other income	124,737	460,787
Total Revenues	<u>\$ 15,147,449</u>	<u>\$ 14,168,275</u>
 EXPENSES		
Instruction	\$ 3,622,468	\$ 4,022,428
Instructional support services	3,746,429	3,260,497
School administration	2,058,770	1,343,024
Fiscal services	386,467	1,137,088
Food services	524,404	763,480
Pupil transportation services	250,825	212,823
Operation of plant	2,874,549	2,559,901
Administrative technology services	494,777	358,932
Maintenance of plant	378,824	211,904
Central services	-	620,821
Interest expense	477,512	333,015
Total Expenses	<u>14,815,025</u>	<u>14,823,913</u>
Change in Net Position	332,424	(655,638)
 Net Position at Beginning of Year	<u>5,537,511</u>	<u>6,193,149</u>
Net Position at End of Year	<u><u>\$ 5,869,935</u></u>	<u><u>\$ 5,537,511</u></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.

2023 -24 STUDENT DEMOGRAPHICS:



16%
STUDENTS WITH AN
INCARCERATED
FAMILY MEMBER



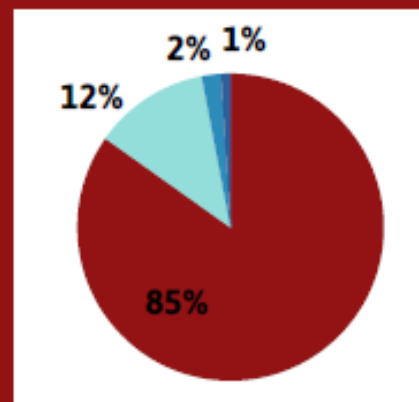
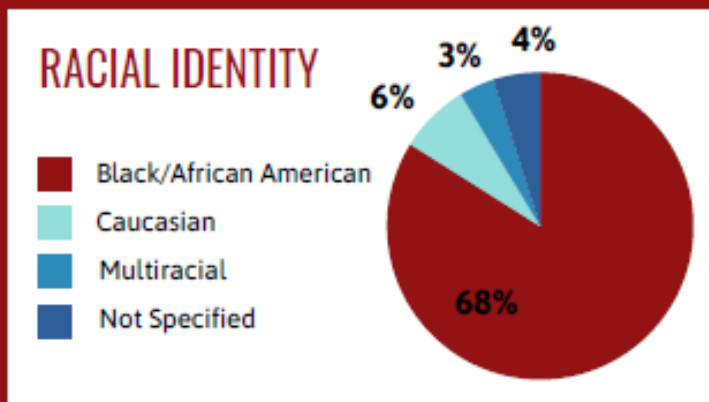
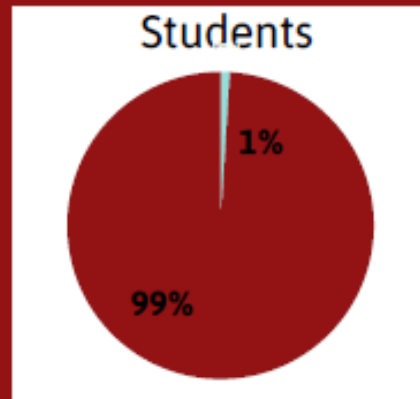
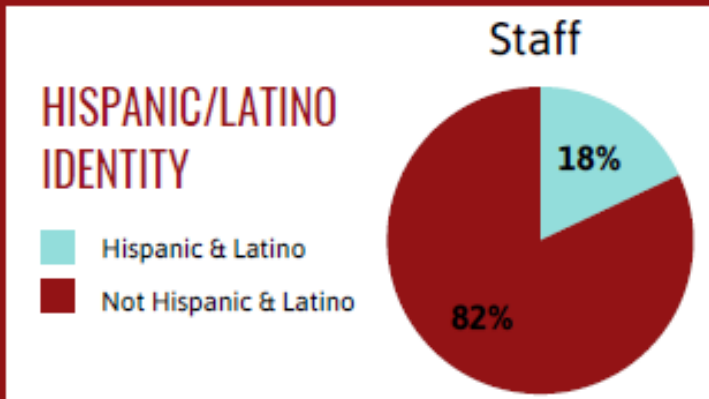
60%
COVERED BY CHILD
WELFARE WAIVER
DEMONSTRATION
PROJECT



96%
ELIGIBLE FOR
PUBLIC HOUSING



2023 - 2024 STAFF & STUDENT DEMOGRAPHICS



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

ACADEMIC RIGOR

SEED Miami's curriculum is designed to equip 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 define the competencies and skills every student should have upon entering college and then work backward to incorporate these competencies at every grade level. SEED Miami's curriculum is standards-based and aligned with the Benchmarks for Excellent Student Thinking (B.E.S.T.) Standards.



SCHOOL IMPROVEMENT RATING

YEAR	RATING
2017	Maintaining
2018	Maintaining
2019	Maintaining
2020	*
2021	*
2022	Maintaining
2023	Maintaining

SEED Miami receives an annual school improvement rating based on student learning gains in English language arts and mathematics. SEED Miami has consistently achieved a rating of "Maintaining," indicating that a sufficient percentage of our students are making learning gains.

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

DUAL ENROLLMENT PROGRAM

In the third year of our dual enrollment program, SEED Miami continued its collaboration with the National Education Equity Lab. Throughout the 2023-2024 school year, we expanded our dual enrollment offerings, providing six distinct opportunities for students to earn college credit through Arizona State University. In the Fall 2023 semester, nine students enrolled in Sociology, while in the Spring semester, twelve students took college credit courses in subjects such as Statistics, English, Culture and Health, Biology, Sociology, and Solar Systems. SEED Miami students excelled in their College-in-High-School classes, earning induction into the National Education Equity Lab Honor Society.

NATIONAL EDUCATION EQUITY LAB HONOR SOCIETY



LEONEL M. 2024



TAMAOD H. 2025



HARYANA V. 2024

ACADEMIC RIGOR CONTINUED

The SEED School of Miami is committed to building fundamental literacy skills. Literacy is emphasized throughout our 24-hour program. The "Think Big" Reading Room, SEED Book Club, and D.E.A.R. programs are helping our scholars develop an appreciation for reading. They are discovering new sub-genres, boosting their confidence, and becoming more vocal about their love for certain topics and for reading in general.

THE BEN CARSON "THINK BIG" READING ROOM

The Ben Carson "Think Big" Reading Room continues to be a popular spot for our middle and high school scholars. Staff reports that students often wish to continue reading beyond their assigned time. The room, which provides a welcoming and comfortable space for students to relax and enjoy high-interest, leveled books, was funded through the generosity of the Carson Scholars Fund and SEED Miami Board Member and Champion, Stuart Israelson.



” I really appreciated being able to spend time reading, meeting with our Book Club and engaging in other high school activities in our Reading Room. It is beautiful and being in there always lifts my spirits and makes my day feel that much brighter. That room is inspiring for me.
-Rhaniya, Grade 9

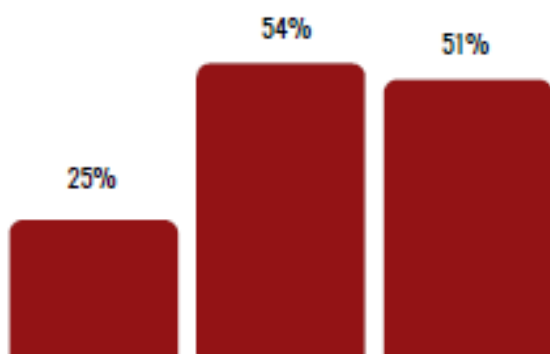


DROP EVERYTHING AND READ (D.E.A.R.)

After the school day, students participate in "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, choosing books of their preference or a Just Right Book at their specific reading level.



ALGEBRA I EOC RESULTS



Algebra 1 EOC First-time 9th Grade Testers, Percentage of Students Scoring Level 3+

The Algebra 1 End-of-Course Exam (EOC) was administered to all 9th grade students at SEED Miami in Spring 2024. The assessment is designed to measure a student's level of success with the content of the State Standards in Algebra.

STUDENT LIFE PROGRAMMING

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



HABITS FOR ACHIEVING LIFE LONG SUCCESS

The 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 participate in HALLS lessons weekly, focusing on habits that guide them toward achieving college, career, and life goals. This program also provides SEED schools with a common vocabulary for this important aspect of the school culture. Examples of HALLS topics include cooperation, communication skills, courage, and tenacity.



SPARKS: ATHLETICS, CLUBS & ARTS

SPARKS are defined by The Search Institute as "the talents, hobbies, and interests of young people." SPARKS serve as social, emotional, and recreational outlets for students, providing opportunities to learn new skills or crafts, refine existing abilities and interests, and explore potential future careers or areas of collegiate study. They also allow our scholars to connect with other students and staff who share their interests. By exploring new SPARKS and further developing existing ones, students broaden their knowledge of the world and themselves. Our SPARKS programming offers students an outlet to engage in activities they love and enjoy.

SEED Miami offered 23 SPARKS activities during the 2022-2023 school year. Last year, **SEED Miami added 15 more programs to SPARKS:**

SPARKS ADDITIONS:

- Soccer
- Volleyball
- Football
- Track & Field
- Cross Country
- Jiu-Jitsu
- Chess
- Pickleball
- Create SPARK
- STEM
- Weight Training
- Cosmetology
- Intramural Sports
- Swimming



STUDENT LIFE PROGRAMMING CONTINUED



OPERATION HAMMER

In September of 2023, GoodSports teamed up with fitness guru Chris Hemsworth to provide SEED Miami students with fitness gear. Hemsworth even made a surprise visit to our campus to give students a seminar on fitness, nutrition, and physical activity.



SEED CAFE

In April, Keller Williams Realty selected SEED Miami for their Global Community Service Day, known as "Red Day." The local Keller Williams team raised \$20,000 to create the SEED Café. What was once a storage closet has been completely transformed into a student lounge, which will serve as a communal gathering space for students. The lounge is equipped with a large sectional sofa, TV, karaoke machine, tables, chairs, and a recording studio for podcast opportunities and future broadcast initiatives that SEED Miami is planning.



SELF LOVE EVENT

The Self Love event, organized by 6th-grade SLC Ms. Henry during Women's History Month, aimed to promote self-love, self-confidence, and sisterhood among our middle and high school lady scholars. The event featured live discussions and performances by inspiring individuals such as Tierra Traniece, JLa Anderson, and Zoey Brinx from "Love and Hip Hop". The evening was filled with engaging dialogue, great food, and live performances.



STUDENT SUPPORT SERVICES



The Student Support Services (SSS) program at The SEED School of Miami provides a comprehensive, coordinated, integrated approach to address the various needs of its students, families, and staff while creating a college-bound culture, and supporting the elements of resilience, consistency, and persistence required for students to achieve this goal. Our staff is continuously working to ensure our scholars have the resources they need to succeed. In addition to our ongoing supports, such as on-site mental and physical health services, SEED Miami was pleased to offer several additional programs during the 2023-2024 academic year.

SENIORS MINDFUL TRANSITIONS BRUNCH

SEED Miami Mental Health Counselors hosted their annual senior brunch event. This event is designed to provide support and guidance to our graduating seniors. Our seniors enjoyed a catered brunch and a thoughtfully planned mental health session that fostered a positive environment where students could be transparent about their thoughts and feelings as they transition to the next step in their educational careers. Our MHCs provided useful tips, strategies, and tangible items to support them in their upcoming college adventure.



MALE SCHOLARS TIE-TYING EVENT

The Tie-Tying Ceremony served as an opportunity for us to gather, learn, and grow together while showcasing unity and highlighting strength and diversity within our schools. We believe that personal growth is crucial, and by enhancing our skills and knowledge, we become better versions of ourselves. During this event, our scholars had the chance to feast together, hear from two profound guest speakers, and, most importantly, learn how to tie a tie, which they then wore the next day as a symbol of fellowship and harmony within our school community.



SENIOR & JUNIOR PROM

We are honored to have celebrated the Class of 2024 and our rising seniors at the SEED Miami 2024 Junior & Senior Prom on Saturday, May 11, 2024. The celebration was hosted at The Scott Galvin Community Center.



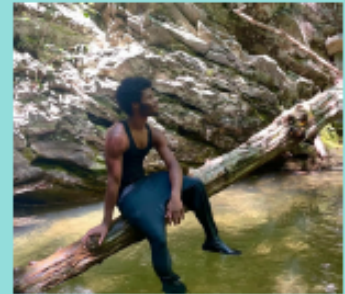
EXTERNAL OPPORTUNITIES



It is important for all of our SEED students to be exposed to a variety of experiences, learning opportunities, and fun activities. Each year, SEED Miami offers a range of exciting and enriching external opportunities. Below we highlight a few of our most impactful experiences from the 2023-2024 academic year.

BUFFALO COVE OUTDOOR EDUCATION CENTER

For the eighth year, SEED Miami students were given the opportunity to spend a week in North Carolina at the Buffalo Cove Outdoor Education Center. The mission of the center is to create a physically and emotionally safe learning environment where individuals can find harmony and empowerment through self-understanding, self-confidence, simple living, friendships, and fun. Over a dozen SEED Miami students attended the program in August 2024. To apply for this opportunity, SEED Miami students responded to two essay prompts: one explaining their interest in the Buffalo Cove Outdoor Education Center and the other describing something they learned from a past challenging experience.



WHAT OUR SCHOLARS ARE SAYING ABOUT BUFFALO COVE

“Buffalo Cove was an amazing experience. I loved getting out of my comfort zone and being able to explore nature, and disconnect from the world for a little bit.”

JAYDEN M.

“An eye opening adventure. I really enjoyed spending time in nature with my brother and the Buffalo Cove staff they provide us with an enriching and fulfilling experience.”

JAIRID M.

SEED MIAMI GRADUATES

SEED Miami has had four cohorts of graduates, the Classes of 2021, 2022, 2023 and 2024.

Over the last four years, SEED Miami Seniors have achieved
100% ACCEPTANCE RATE INTO COLLEGE

SEED Miami Graduates have matriculated to 29 colleges & universities across 8 U.S. states & Washington, D.C.



College Acceptances and Future Pathways

SEED Miami graduates are attending the following institutions:

- Bethune-Cookman University
- Florida A&M University
- Florida Memorial University
- Johnson C Smith University
- Bennett College
- Elizabeth City State University
- Morehouse College
- North Carolina Agricultural & Technical State University
- University of Maryland East Shore
- Howard University
- Fisk University
- Florida International University
- Keiser University
- Miami-Dade College
- Nova Southeastern University
- St. Thomas University
- Broward College



CLASS OF 2024



The aspirations of The Class of 2024 are both beautiful and ambitious. Collectively, they aim to break ground in their industries, set records, innovate products and processes, model leadership and character for others, support those in need, and pave the way for change and betterment in our society.

This group of remarkable students will indeed accomplish great things in the future. Already they have earned notable recognitions, including:

- The class of 2024 submitted over 500 applications to colleges and universities across the country
- Our seniors received acceptance letters from over 300 colleges and universities
- 100% of our Seniors were accepted into 2 or more endorsed colleges and universities

COLLECTIVELY OUR CLASS OF 2024 GRADUATES HAVE RECEIVED OVER 1.3 MILLION DOLLARS IN SCHOLARSHIPS

- 3 Florida Bright futures/ Medallion Scholars
- 2 Carson Scholars
- 2 Johnson C Smith University Becoming Kings Scholars program
- 2 Partial Scholarships to The University of Florida
- 1 Fidelity Scholar
- 1 Bill Gates Scholars Semi-Finalist
- 1 Full Academic Scholarship to Florida State University



SCHOOL LOCATION

The School operates in the Miami area located at 1901 NW 127th 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 increase of \$1,542,469 in fund balance and had an ending fund balance of \$2,660,699.

CAPITAL AND RIGHT-TO-USE ASSETS

The School's investment in capital and right-to-use assets, as of June 30, 2024, amounts to \$11,118,323 (net of accumulated depreciation). This investment in capital and right-to-use assets includes construction in progress of new modular, furniture, equipment and motor vehicles.

BUILDING LOAN PAYABLE

In April 2022, the School converted its construction loan into a permanent building loan with a fixed interest rate of 4.31% through December 3, 2025, with an option for extension. As of July 1, 2023, the loan balance was \$5,449,416. Monthly interest payments of \$19,904 commenced in January 2023, alongside quarterly amortization payments of approximately \$30,788 over a 30-year term. The loan is secured by the associated facilities. As of June 30, 2024, the outstanding loan balance was \$5,387,840.

In 2022, the School entered into a non-revolving line of credit, secured by the Building Loan, specifically for soft cost expenditures including furniture, fixtures, and equipment (FF&E), security systems, IT infrastructure, and contingencies. The line of credit carries an interest rate of WSJ prime plus 1%, with a minimum rate of 4.75%. Funds were drawn in August 2023, following lender approval based on submitted backup and reconciliation. Monthly interest payments are due, and both principal and accrued interest will be payable upon the loan's maturity date, which occurs 36 months after withdrawal. As of June 30, 2024, the outstanding balance on this loan was \$1,345,920.

The total consolidated loan balance for both lines of credit as of June 30, 2024, amounted to \$6,733,760.

BUDGETARY HIGHLIGHTS

The general fund and special revenue fund budget for the fiscal year ended June 30, 2024, 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.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
Revenue from state sources	\$ 2,261,952	\$ 2,261,952	\$ 1,918,033
Contributions and other grants	2,147,021	2,147,021	610,015
Other miscellaneous state revenues	11,580,603	11,580,603	11,678,738
Federal through state and local	159,323	134,480	815,926
Other income	14,000	38,843	124,737
TOTAL REVENUES	\$ 16,162,899	\$ 16,162,899	\$ 15,147,449
EXPENDITURES			
Instruction	\$ 3,803,485	\$ 3,776,957	\$ 3,622,468
Instructional support services	4,070,054	4,070,054	3,746,429
School administration	2,316,140	2,316,140	1,949,515
Fiscal services	208,334	208,334	386,467
Food services	725,760	725,760	524,404
Pupil transportation services	200,000	200,000	250,825
Operation of plant	2,488,224	2,488,224	2,486,856
Administrative technology services	670,655	670,655	494,777
Central services	-	-	-
Maintenance of plant	180,000	180,000	378,824
Debt service	392,063	392,063	791,011
Other capital outlay	445,718	447,403	319,324
TOTAL EXPENDITURES	\$ 15,500,433	\$ 15,475,590	\$ 14,950,900
Change in fund balance before other financing sources	662,466	687,309	196,549
Other financing sources	-	-	1,345,920
Net change in fund balance	\$ 662,466	\$ 687,309	\$ 1,542,469

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 Dr. Leah Skinner, Head of School.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,095,979
Certificate of deposit	639,761
Accounts receivables	1,219,074
Prepaid expenses	165,051
TOTAL CURRENT ASSETS	<u>3,119,865</u>
RIGHT-TO-USE ASSETS, NET	277,250
CAPITAL ASSETS, NET	<u>10,841,073</u>
TOTAL ASSETS	<u><u>\$ 14,238,188</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued expenses	\$ 345,611
Due to The SEED Foundation	113,555
Loan payable - The SEED Foundation	750,000
Construction note payable - short term portion	61,576
Right-to-use liability - current portion	37,402
TOTAL CURRENT LIABILITIES	<u>1,308,144</u>
SBA loan payable	148,077
Right-to-use liability - long-term portion	239,848
Construction note payable - long term portion	6,672,184
TOTAL LIABILITIES	<u>8,368,253</u>
NET POSITION	
Invested in capital assets, net of related debt	4,107,313
Restricted	639,761
Unrestricted net position	1,122,861
TOTAL NET POSITION	<u>5,869,935</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 14,238,188</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, 2024

Functions	Expenses	Program Revenues			Net (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 3,622,468	\$ -	\$ 691,384	\$ -	\$ (2,931,084)
Instructional support services	3,746,429	-	124,542	-	(3,621,887)
School administration	2,058,770	-	-	-	(2,058,770)
Fiscal services	386,467	-	-	-	(386,467)
Food services	524,404	-	-	-	(524,404)
Pupil transportation services	250,825	-	-	-	(250,825)
Operation of plant	2,874,549	-	-	-	(2,874,549)
Maintenance of plant	378,824	-	-	-	(378,824)
Administrative technology services	494,777	-	-	-	(494,777)
Interest expense	477,512	-	-	-	(477,512)
Total Governmental Activities	\$ 14,815,025	\$ -	\$ 815,926	\$ -	\$ (13,999,099)

GENERAL REVENUES:

Grants and contributions not restricted to specific programs	\$ 610,015
Other miscellaneous state revenues	11,678,738
Revenues from state sources	1,918,033
Interest and other revenue	124,737
Total general revenues	<u>14,331,523</u>

Change in Net Position 332,424

NET POSITION - BEGINNING 5,537,511

NET POSITION - ENDING \$ 5,869,935

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, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,095,979	\$ -	\$ 1,095,979
Certificate of deposit	639,761	-	639,761
Accounts receivables	321,678	897,396	1,219,074
Due from other fund	897,396	-	897,396
Prepaid expenses	165,051	-	165,051
TOTAL ASSETS	\$ 3,119,865	\$ 897,396	\$ 4,017,261
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 345,611	\$ -	\$ 345,611
Due to The SEED Foundation	113,555	-	113,555
Due to other fund	-	897,396	897,396
TOTAL LIABILITIES	459,166	897,396	1,356,562
FUND BALANCE			
Nonspendable			
Prepaid expenses and other deposits	165,051	-	165,051
Restricted	639,761	-	639,761
Unassigned	1,855,887	-	1,855,887
TOTAL FUND BALANCE	2,660,699	-	2,660,699
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,119,865	\$ 897,396	\$ 4,017,261

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, 2024

Total Fund Balance - Governmental Funds \$ 2,660,699

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	13,448,050
Accumulated depreciation	(2,606,977)

Right-to-use assets and liabilities used in governmental activities are not financial resources or obligations and therefore are not reported.

Right-to-use asset	277,250
Right-to-use liability	(277,250)

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

SBA loan payable	(148,077)
Construction note payable	(6,733,760)
Loan payable-The SEED Foundation	(750,000)

Total Net Position - Governmental Activities	\$ 5,869,935
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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
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Revenue from state sources	\$ 1,918,033	\$ -	\$ 1,918,033
Contributions and other grants	610,015	-	610,015
Other miscellaneous state revenues	11,678,738	-	11,678,738
Federal through state and local	-	815,926	815,926
Interest and other income	124,737	-	124,737
TOTAL REVENUES	\$ 14,331,523	\$ 815,926	\$ 15,147,449
EXPENDITURES			
Current:			
Instruction	\$ 2,931,084	\$ 691,384	\$ 3,622,468
Instructional support services	3,621,887	124,542	3,746,429
School administration	1,949,515	-	1,949,515
Fiscal services	386,467	-	386,467
Food services	524,404	-	524,404
Pupil transportation services	250,825	-	250,825
Operation of plant	2,486,856	-	2,486,856
Administrative technology services	494,777	-	494,777
Maintenance of plant	378,824	-	378,824
Capital Outlay:			
Other capital outlay	319,324	-	319,324
Debt Service:			
Redemption of principal	313,499	-	313,499
Interest	477,512	-	477,512
TOTAL EXPENDITURES	14,134,974	815,926	14,950,900
Excess of expenditures over revenues	196,549	-	196,549
OTHER FINANCING SOURCES			
Proceeds from long-term financing	1,345,920	-	1,345,920
Total other financing sources	1,345,920	-	1,345,920
Net change in fund balance	1,542,469	-	1,542,469
Fund balance at beginning of year	1,118,230	-	1,118,230
Fund balance at end of year	\$ 2,660,699	\$ -	\$ 2,660,699

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, 2024**

Change in Fund Balance - Governmental Funds \$ 1,542,469

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	319,324
Depreciation expense	(425,886)

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	313,499
Proceeds from financing	(1,345,920)

In the statement of activities, amortization of the right-of-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds it is not included as an expenditure.

(71,062)

Change in Net Position of Governmental Activities

\$ 332,424

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, 2024**

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 is supported by The SEED Foundation (the “Foundation”), a not-for-profit corporation with a network of similar schools in different states.

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, 2036. 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, 2024, the School’s seventh operating school year, when approximately 254 students were enrolled in the 6th through 12th 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, 2024

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, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable

Accounts receivable consists of amounts due from contributions, donations and pledges.

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, 2024, was \$4,107,313.
- 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, 2024 was \$639,761. The restriction is for a certificate of deposit, which is collateral (escrow) for the School's lease agreement.
- 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, 2024

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, 2024, the School had \$165,051 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, 2024, the School had \$639,761 restricted fund balance. The restriction is for a certificate of deposit, which is collateral (escrow) for the School’s lease agreement.
- 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, 2024, 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, 2024, 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, 2024, there are no minimum fund balance requirements for any of the School’s funds.

Revenue Sources

The School derives the majority of its operational revenue from the School Board, in accordance with the funding provisions stipulated in its charter and Section 1002.33 of the Florida Statutes. The School is required to report the number of full-time equivalent (FTE) students and relevant data to the School Board, which in turn reports the FTE count to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP) under Section 1011.62 of the Florida Statutes. Funding allocations are subject to periodic adjustments during the year based on updated calculations from the FDOE and the actual number of weighted FTE students reported by the School during designated survey periods. Additionally, the School may receive operational expense payments on a reimbursement basis when actual enrollment falls below the maximum program enrollment. These payments are intended to offset certain programmatic and operational expenses.

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, 2024

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 12, 2024, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL AND RIGHT-TO-USE ASSETS

The following schedule provides a summary of changes in capital assets, acquired partly with public funds, for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions/Transfers	Balance June 30, 2024
Capital Assets				
Building and improvements	\$ 12,001,471	\$ 178,022	\$ -	\$ 12,179,493
Furniture and equipment	1,116,023	105,376	(35,136)	1,186,263
Motor vehicles	82,294	-	-	82,294
Total Capital Assets	<u>13,199,788</u>	<u>283,398</u>	<u>(35,136)</u>	<u>13,448,050</u>
Less Accumulated Depreciation				
Building and improvements	\$ (1,210,458)	\$ (316,631)	\$ -	\$ (1,527,089)
Furniture and equipment	(888,339)	(109,255)	-	(997,594)
Motor vehicles	(82,294)	-	-	(82,294)
Total Accumulated Depreciation	<u>(2,181,091)</u>	<u>(425,886)</u>	<u>-</u>	<u>(2,606,977)</u>
Capital Assets, net	<u>\$ 11,018,697</u>	<u>\$ (142,488)</u>	<u>\$ (35,136)</u>	<u>\$ 10,841,073</u>

Depreciation expense for the year ended June 30, 2024, was \$425,886 and was allocated to operation of plant and instruction. As of June 30, 2024, the net value of building and improvements, equipment and vehicles after accounting for accumulated depreciation was \$10,841,073.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 – CAPITAL AND RIGHT-TO-USE ASSETS (Continued)

The following schedule provides changes in right-to-use assets (see Note 8):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Right-to-use assets				
Right-to-use asset- Facilities	\$ -	\$ 348,312	\$ -	\$ 348,312
Total right-to-use	<u>\$ -</u>	<u>\$ 348,312</u>	<u>\$ -</u>	<u>\$ 348,312</u>
Less accumulated amortization				
Right-to-use asset- Facilities	\$ -	(71,062)	-	(71,062)
Total accumulated amortization	<u>-</u>	<u>(71,062)</u>	<u>-</u>	<u>(71,062)</u>
Right-to-use assets, net	<u>\$ -</u>	<u>\$ 277,250</u>	<u>\$ -</u>	<u>\$ 277,250</u>

NOTE 4 – LOAN PAYABLE THROUGH THE SEED FOUNDATION

In January 2019, the School obtained a loan from a private lender, underwritten by The SEED Foundation, to support construction. As of July 1, 2023, the outstanding balance was \$1,000,000. During the year ended June 30, 2024, \$250,000 was repaid, leaving a balance of \$750,000 as of June 30, 2024. This loan carries a 6.5% interest rate with quarterly interest-only payments until maturity, at which point all principal amounts become due. The School intends to repay the loan through fundraising campaign commitments.

The following schedule provides a summary of changes for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Repayments	Balance June 30, 2024
Loan payable	\$ 1,000,000	\$ -	\$ (250,000)	<u>\$ 750,000</u>

Future maturities are as follows:

Year Ended June 30,	
2025	\$ 750,000
Total	<u>\$ 750,000</u>

NOTE 5 – BUILDING LOAN PAYABLE TO FINANCIAL INSTITUTION

In April 2022, the School converted its construction loan into a permanent building loan with a fixed interest rate of 4.31% through December 3, 2025, with an option for extension. As of July 1, 2023, the loan balance stood at \$5,449,416. Monthly interest payments of \$19,904 commenced in January 2023, alongside quarterly amortization payments of approximately \$30,788 over a 30-year term. The loan is secured by the associated facilities. As of June 30, 2024, the outstanding loan balance was \$5,387,840.

THE MIAMI BOARDING SCHOOL, INC.
d/b/a THE SEED SCHOOL OF MIAMI
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 – BUILDING LOAN PAYABLE TO FINANCIAL INSTITUTION (Continued)

In 2022, the School entered into a non-revolving line of credit, secured by funds allocated to the Building Loan, for the purpose of covering soft cost expenditures such as furniture, fixtures, and equipment (FF&E), security systems, IT infrastructure, and contingencies. The loan carries interest at a rate of WSJ prime plus 1%, with a floor rate of 4.75%. In August 2023, the School drew on this line of credit, after submitting the required documentation and receiving lender approval for reconciliation. Interest payments on the outstanding principal are due monthly, with the total outstanding principal and accrued interest payable upon the loan's maturity, which occurs 36 months after the draw. As of June 30, 2024, the outstanding balance was \$1,345,920.

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, 2024:

	Balance July 1, 2023	Additions	Repayments	Balance June 30, 2024
Loan Payables	\$ 5,449,416	\$ 1,345,920	\$ (61,576)	\$ 6,733,760

Future maturities are as follows:

Year Ended June 30,	
2025	\$ 61,576
2026	1,407,496
2027	5,264,688
Total	<u>\$ 6,733,760</u>

NOTE 6 – SBA NOTE PAYABLE

The School obtained a loan from the Small Business Act (“SBA”), the EIDL loan, 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 2023. The loan matures in July 2050. The following schedule provides a summary of changes in loan payables for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Repayments	Balance June 30, 2024
SBA loan payable	\$ 150,000	\$ -	\$ (1,923)	\$ 148,077

Future maturities are as follows:

Year Ended June 30,	
2025	\$ 3,816
2026	3,921
2027	4,031
2028	4,146
2029 and Thereafter	132,163
Total	<u>\$ 148,077</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, 2024

NOTE 7 – DUE TO THE SEED FOUNDATION AND RELATED PARTIES

The School, supported by The SEED Foundation, a nonprofit with a network of similar schools, entered an Academic and Management agreement on February 1, 2014. Under this agreement, the Foundation provides services like curriculum development, staffing, facility support, financial guidance, IT, and student recruitment. The SEED Foundation charges a 5% management fee based on the Schools annual expenditures budget. In the year ending June 30, 2024, the School paid \$680,000 in management fees. The initial agreement lasts for five years, renewable for an additional five years if both parties agree. The SEED Foundation also charges for additional network expenses, including insurances and shared staff costs, with a balance due of \$113,555 as of June 30, 2024.

NOTE 8 – 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 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 \$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, 2024, the total amount paid was \$175,228.

The School has implemented GASB No. 87 *Leases* and as a result, has recorded a right-to-use asset and liability in these financial statements for the above facility arrangements as of their commencement dates. The School used an interest rate of 4.75% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognize the intangible right to use asset and the lease liability. During the year ended June 30, 2024, the interest expense related to the right to use liability was \$28,466 and the amortization expense of the right to use assets was \$71,062.

	Balance July 1, 2023	Additions	Decreases	Balance June 30, 2024
Right-of-use liability- Facilities	\$ -	\$ 348,312	\$ (71,062)	\$ 277,250
	<u>\$ -</u>	<u>\$ 348,312</u>	<u>\$ (71,062)</u>	<u>\$ 277,250</u>

Annual requirements to amortize the lease liability and related interest are estimated as follow:

Fiscal Year Ended	Principal	Interest	Total
2025	\$ 37,402	\$ 12,362	\$ 49,764
2026	39,218	10,546	49,764
2027	41,122	8,642	49,764
2028	43,118	6,646	49,764
2029	116,390	4,553	120,943
	<u>\$ 277,250</u>	<u>\$ 42,749</u>	<u>\$ 319,999</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, 2024

NOTE 9 – 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, 2024, bank balances in potential excess of FDIC coverage was \$789,336.

NOTE 10 – 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 \$257,609 or 3% of eligible employee wages plus 50% of employee contributions up to 6% for the year ended June 30, 2024.

NOTE 11 – 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 12 – 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, 2024**

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Revenue from state sources	\$ 2,261,952	\$ 2,261,952	\$ 1,918,033
Contributions and other grants	2,147,021	2,147,021	610,015
Other miscellaneous state revenues	11,580,603	11,580,603	11,678,738
Other income	14,000	38,843	124,737
TOTAL REVENUES	\$ 16,003,576	\$ 16,028,419	\$ 14,331,523
EXPENDITURES			
Instruction	\$ 3,644,162	\$ 3,644,162	\$ 2,931,084
Instructional support services	4,070,054	4,070,054	3,621,887
School administration	2,316,140	2,316,140	1,949,515
Fiscal services	208,334	208,334	386,467
Food services	725,760	725,760	524,404
Pupil transportation services	200,000	200,000	250,825
Operation of plant	2,488,224	2,488,224	2,486,856
Administrative technology services	670,655	670,655	494,777
Central services	-	-	-
Maintenance of plant	180,000	180,000	378,824
Debt service	392,063	392,063	791,011
Other capital outlay	445,718	445,718	319,324
TOTAL EXPENDITURES	15,341,110	15,341,110	14,134,974
Change in fund balance before other financing sources	662,466	687,309	196,549
Other financing sources	-	-	1,345,920
Net change in fund balance	\$ 662,466	\$ 687,309	\$ 1,542,469

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, 2024**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal through state and local	\$ 159,323	\$ 134,480	\$ 815,926
TOTAL REVENUES	<u>159,323</u>	<u>134,480</u>	<u>815,926</u>
EXPENDITURES			
Instruction	159,323	132,795	691,384
Operation of plant	-	1,685	124,542
TOTAL EXPENDITURES	<u>159,323</u>	<u>134,480</u>	<u>815,926</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 THE REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

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, 2024, 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).



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

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Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
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Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

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, 2024, 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 12, 2024.

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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 12, 2024



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Certified Public Accountants & Advisors



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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, 2024, and have issued our report thereon dated September 12, 2024.

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 12, 2024, 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, 2024 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 web site 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 web site.

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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 12, 2024