

**PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL**

A Charter School and Component Unit of the
Hillsborough County School Board, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2024

King & Walker, CPAs, PL

Certified Public Accountants

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PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL

A Charter School and Component Unit of the Hillsborough County School Board, Florida

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Independent Auditor's Report

To the Board of Directors of Pivot Education, Inc., d/b/a Pivot Charter School
A Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Pivot Education, Inc., d/b/a Pivot Charter School ("School"), a charter school and component unit of the District School Board of Hillsborough County, Florida, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the 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 Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary 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 September 4, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's 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.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, professional style.

September 4, 2024
Tampa, Florida

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL

A Charter School and Component Unit of the Hillsborough County School Board, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Pivot Education, Inc., d/b/a Pivot Charter School, ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2024.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- ✓ For the fiscal year ended June 30, 2024, the School's expenses exceeded revenues, as shown on the School's statement of activities by \$108,159.
- ✓ The School ended the year with a total net position balance of \$34,540.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL

A Charter School and Component Unit of the Hillsborough County School Board, Florida
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental financial fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds: a General Fund to account for its general operations, a Special Revenue Fund for Federal grant programs, and a Capital Projects Fund to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays. All funds are considered major funds for reporting purposes.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

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

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL

A Charter School and Component Unit of the Hillsborough County School Board, Florida
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

Net Position, End of Year

	Governmental Activities		Increase (Decrease)
	6-30-23	6-30-24	
ASSETS			
Current and Other Assets	\$ 313,418	\$ 138,612	\$ (174,806)
Capital Assets, Net	1,172,932	1,017,645	(155,287)
Total Assets	1,486,350	1,156,257	(330,093)
LIABILITIES			
Current Liabilities	127,275	128,462	1,187
Noncurrent Liabilities	1,216,376	993,255	(223,121)
Total Liabilities	1,343,651	1,121,717	(221,934)
NET POSITION			
Net Investment in Capital Assets	90,548	86,670	(3,878)
Unrestricted	52,151	(52,130)	(104,281)
Total Net Position	\$ 142,699	\$ 34,540	\$ (108,159)

The current assets of the School consist of cash & cash equivalents, an amount due from other agencies, a due from related party, prepaid expenses, and deposits. Liabilities are comprised of a long-term lease payable, a note payable, accrued salaries and benefits payable, and accounts payable.

Total net position amounted to \$34,540 as of June 30, 2024, with a deficit unrestricted net position balance of \$52,130.

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL

A Charter School and Component Unit of the Hillsborough County School Board, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School's change in net position for the current year and prior year:

	Operating Results for the Year		
	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>6-30-23</u>	<u>6-30-24</u>	
Revenues:			
Federal Through State and Local	\$ 303,282	\$ 9,703	\$ (293,579)
State	1,912,876	1,910,439	(2,437)
Local and Other	9,525	28,334	18,809
Total Revenues	<u>2,225,683</u>	<u>1,948,476</u>	<u>(277,207)</u>
Expenses:			
Instruction	1,062,606	929,541	(133,065)
Instruction & Curriculum Development	75	21,896	21,821
Instructional Staff Training	-	820	820
Board	9,116	7,325	(1,791)
General Administration	90,112	86,271	(3,841)
School Administration	320,083	274,941	(45,142)
Facilities Acquisition & Construction	-	91,721	91,721
Fiscal Services	26,028	22,732	(3,296)
Central Services	-	200	200
Student Transportation	202,984	177,370	(25,614)
Operation of Plant	338,164	148,592	(189,572)
Maintenance of Plant	125,413	44,853	(80,560)
Administrative Technology Services	-	36,684	36,684
Debt Service - Interest	40,167	36,262	(3,905)
Unallocated Depreciation/Amortization	-	177,427	177,427
Total Expenses	<u>2,214,748</u>	<u>2,056,635</u>	<u>(158,113)</u>
Increase/(Decrease) in Net Position	<u>\$ 10,935</u>	<u>\$ (108,159)</u>	<u>\$ (119,094)</u>

The largest revenue source for the School is the State of Florida (98%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay. Both sources utilize student enrollment data to determine the funds available for the School.

The most significant concentration of expenses during the year were for Instruction (45%), which consisted primarily of teacher salaries. The other expense categories experienced increases and decreases between fiscal years due to general economic conditions and the financial needs of the School.

**PIVOT EDUCATION, INC.
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A Charter School and Component Unit of the Hillsborough County School Board, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a deficit combined fund balance of \$15,184.

BUDGETARY HIGHLIGHTS

The budgets for each fund (General Fund and Special Revenue Fund) for the fiscal year ended June 30, 2024, were developed based on the School's anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, management monitors the budgets and may revise the budgets. For the fiscal year ended June 30, 2024, the actual expenditures were equal to the final budget. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$1,017,645 (net of accumulated depreciation/amortization). This investment in capital assets includes a leased asset- building, furniture, fixtures, and equipment, and improvements other than buildings. Additional information regarding the School's capital assets can be found in a subsequent note to the financial statements.

LONG-TERM LIABILITIES

At June 30, 2024, the School had \$993,255 in long-term liabilities outstanding, a decrease of \$223,121 from the previous year. Additional information regarding the School's long-term debt is presented in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Pivot Education, Inc., d/b/a Pivot Charter School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director; Pivot Education, Inc., d/b/a Pivot Charter School, 4817 N. Florida Avenue, Tampa, FL 33673.

PIVOT EDUCATON, INC.
D/B/A PIVOT CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF NET POSITION

June 30, 2024

	Government Activities
ASSETS	
Cash & Cash Equivalents	\$ 57,571
Due From Other Agencies	12,570
Due From Related Party	1,050
Prepaid Expenses	42,087
Deposits	25,334
Capital Assets:	
Leased Asset - Building, Net	930,975
Furniture, Fixtures, and Equipment, Net	86,670
Total Capital Assets	1,017,645
TOTAL ASSETS	1,156,257
LIABILITIES	
Salaries and Benefits Payable	102,201
Accounts Payable	26,261
Noncurrent Liabilities:	
Due Within One Year:	
Note Payable	62,280
Long-Term Lease Payable	206,851
Due After One Year:	
Long-Term Lease Payable	724,124
TOTAL LIABILITIES	1,121,717
NET POSITION	
Net Investment in Capital Assets	86,670
Unrestricted	(52,130)
TOTAL NET POSITION	\$ 34,540

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

PIVOT EDUCATON, INC.
D/B/A PIVOT CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

		Program Revenues				Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Governmental Activities:						
Instruction	\$ 929,541	\$ -	\$ 2,219	\$ -	\$	(927,322)
Instruction & Curriculum Development	21,896		-			(21,896)
Instructional Staff Training	820		-			(820)
Board	7,325	-	-	-		(7,325)
General Administration	86,271	-	-	-		(86,271)
School Administration	274,941	-	-	-		(274,941)
Facilities Acquisition & Construction	91,721	-	-	-		(91,721)
Fiscal Services	22,732	-	-	-		(22,732)
Central Services	200		-			(200)
Student Transportation	177,370	-	-	-		(177,370)
Operation of Plant	148,592	-	7,484	-		(141,108)
Maintenance of Plant	44,853	-	-	-		(44,853)
Administrative Technology Services	36,684	-	-	-		(36,684)
Debt Service - Interest	36,262	-	-	136,101		99,839
Unallocated Depreciation/Amortization	177,427	-	-	-		(177,427)
Total Governmental Activities	\$ 2,056,635	\$ -	\$ 9,703	\$ 136,101		(1,910,831)
General Revenue						
State Sources						1,774,338
Local and Other						28,334
Total General Revenues						1,802,672
Change in Net Position						(108,159)
Net Position - July 1, 2023						142,699
Net Position - June 30, 2024						\$ 34,540

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

PIVOT EDUCATON, INC.
D/B/A PIVOT CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash & Cash Equivalents	\$ 57,571	\$ -	\$ -	\$ 57,571
Due From Other Agencies	-	3,249	9,321	12,570
Due From Related Party	1,050	-	-	1,050
Prepaid Expenses	42,087	-	-	42,087
Due from Other Funds	12,570	-	-	12,570
Total Assets	<u>\$ 113,278</u>	<u>\$ 3,249</u>	<u>\$ 9,321</u>	<u>\$ 125,848</u>
LIABILITIES				
Salaries and Benefits Payable	\$ 102,201	\$ -	\$ -	\$ 102,201
Accounts Payable	26,261	-	-	26,261
Due to Other Funds	-	3,249	9,321	12,570
Total Liabilities	<u>128,462</u>	<u>3,249</u>	<u>9,321</u>	<u>141,032</u>
FUND BALANCES				
Nonspendable	42,087	-	-	42,087
Unassigned	(57,271)	-	-	(57,271)
Total Fund Balances	<u>(15,184)</u>	<u>-</u>	<u>-</u>	<u>(15,184)</u>
Total Liabilities and Fund Balances	<u>\$ 113,278</u>	<u>\$ 3,249</u>	<u>\$ 9,321</u>	<u>\$ 125,848</u>

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

PIVOT EDUCATON, INC.
D/B/A PIVOT CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balances - Governmental Funds		\$	(15,184)
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.			1,017,645
Non-current assets are not financial resources and, therefore are not reported as assets in the governmental funds.			
Deposits			25,334
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.			
Note Payable	(62,280)		
Long-Term Lease Payable	<u>(930,975)</u>		<u>(993,255)</u>
Total Net Position - Governmental Activities		\$	<u><u>34,540</u></u>

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

PIVOT EDUCATON, INC.
D/B/A PIVOT CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ -	\$ 9,703	\$ -	\$ 9,703
State	1,774,338	-	136,101	1,910,439
Local and Other	28,334	-	-	28,334
Total Revenues	1,802,672	9,703	136,101	1,948,476
Expenditures				
Current - Education:				
Instruction	927,322	2,219	-	929,541
Instruction & Curriculum Development	21,896	-	-	21,896
Instructional Staff Training	820	-	-	820
Board	7,325	-	-	7,325
General Administration	86,271	-	-	86,271
School Administration	274,941	-	-	274,941
Facilities Acquisition & Construction	91,721	-	-	91,721
Fiscal Services	22,732	-	-	22,732
Central Services	200	-	-	200
Student Transportation	177,370	-	-	177,370
Operation of Plant	141,108	7,484	-	148,592
Maintenance of Plant	44,853	-	-	44,853
Administrative Technology Services	36,684	-	-	36,684
Fixed Capital Outlay:				
Other Capital Outlay	22,140	-	-	22,140
Debt Service:				
Principal	123,282	-	99,839	223,121
Interest	-	-	36,262	36,262
Total Expenditures	1,978,665	9,703	136,101	2,124,469
Net Change in Fund Balances	(175,993)	-	-	(175,993)
Fund Balances, July 1, 2023	160,809	-	-	160,809
Fund Balances, June 30, 2024	\$ (15,184)	\$ -	\$ -	\$ (15,184)

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

PIVOT EDUCATON, INC.
D/B/A PIVOT CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances - Governmental Funds	\$	(175,993)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.</p>		
Capital Outlays		22,140
Depreciation/Amortization Expense		(177,427)
		(155,287)
<p>The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.</p>		
		223,121
Change in Net Position - Governmental Activities	\$	(108,159)

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

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL
A Charter School and Component Unit of the Hillsborough County School Board, Florida
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Pivot Education, Inc., d/b/a Pivot Charter School, (“School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of five members.

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 Hillsborough County School Board, Florida, (“District”). The current charter is effective until June 30, 2026, and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Government Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements include the statement of Net Position and the statement of activities which present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL
A Charter School and Component Unit of the Hillsborough County School Board, Florida
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for Federal grant program resources.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

PIVOT EDUCATION, INC.
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➤ **Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of eight months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School's deposits are placed with banks and savings and loans qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated/amortized over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Leased Asset - Building	10 years
Furniture, Fixtures and Equipment	5 years
Improvements	5 years

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Noncurrent Liabilities**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not

PIVOT EDUCATION, INC.
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A Charter School and Component Unit of the Hillsborough County School Board, Florida
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- 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). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL
A Charter School and Component Unit of the Hillsborough County School Board, Florida
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

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➤ **Order of Fund Balance Spending Policy**

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2024, the School reported 229.02 unweighted FTE and 230.40 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- ✓ Attendance and membership documentation (Rule 6A-1.044, FAC).

PIVOT EDUCATION, INC.
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- ✓ Teacher certification documentation (Rule 6A-1.0503, FAC).
- ✓ Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- ✓ Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- ✓ Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state 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.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of Net Position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL
A Charter School and Component Unit of the Hillsborough County School Board, Florida
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

2. CASH DEPOSITS

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the School’s deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida’s multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

3. DUE FROM OTHER AGENCIES

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds are amounts due for Charter School Capital Outlay and Special Revenue Funds for expenditures already paid and awaiting reimbursement in the Capital Projects Fund and Special Revenue Fund, respectively. These receivables are considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

4. PREPAID EXPENSES AND DEPOSITS

The Prepaid Expenses in the accompanying statement of net position and balance sheet – governmental funds consist of prepaid expenses for textbooks and insurance (\$42,087). The Deposits in the accompanying statement of net position – consists of the deposit on the leased asset - building (\$25,334).

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Leased Asset - Building	\$ 1,460,612	\$ -	\$ -	\$1,460,612
Improvements Other Than Buildings	285,142	-	-	285,142
Furniture, Fixtures and Equipment	706,620	22,140	-	728,760
Total Capital Assets	<u>2,452,374</u>	<u>22,140</u>	<u>-</u>	<u>2,474,514</u>
Less Accumulated Depreciation/Amortization for:				
Leased Asset - Building	(378,228)	(151,409)	-	(529,637)
Improvements Other Than Buildings	(285,142)	-	-	(285,142)
Furniture, Fixtures and Equipment	(616,072)	(26,018)	-	(642,090)
Total Accumulated Depreciation/Amortization	<u>(1,279,442)</u>	<u>(177,427)</u>	<u>-</u>	<u>(1,456,869)</u>
Governmental Activities Capital Assets, net	<u>\$ 1,172,932</u>	<u>\$ (155,287)</u>	<u>\$ -</u>	<u>\$1,017,645</u>

All depreciation/amortization expense was shown as unallocated on the Statement of Activities.

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL
A Charter School and Component Unit of the Hillsborough County School Board, Florida
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

6. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2024, the School's Capital Projects fund owed the General Fund \$9,321 for capital outlay expenditures and the Special Revenue Fund owed the General Fund \$3,249 for grant expenditures awaiting reimbursement from Hillsborough County School District. The amounts of inter-fund receivables and payables are netted together and not reported in the statement of net position.

7. LOAN PAYABLE – LUTHERAN SERVICES, INC.

For the fiscal year ended June 30, 2024, the School has an amount owed to Lutheran Services, Inc., (the School's former management company) for prior unpaid fees and other direct costs of the School. In the year ended June 30, 2022, this was converted to a long-term loan bearing a 0% interest rate payable over 3 years. Interest began to accrue in November 2023 at a rate of 5.375%. Future minimum payments as of June 30 are as follows:

Fiscal Year	Total	Principal	Interest
Ending June 30			
2025	\$ 62,880	\$ 62,280	\$ 600
Total	<u>\$ 62,880</u>	<u>\$ 62,280</u>	<u>\$ 600</u>

8. LONG-TERM LEASE PAYABLE

The School entered into a lease for its educational facility through June 30, 2028. The lease contains required monthly minimum lease payments as of that date and thereafter. The fair value of the leased asset is \$1,460,612. Amortization of the leased asset recorded under this lease is included with depreciation/amortization expense in the accompanying financial statements.

Future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year	Total	Principal	Interest
Ending June 30			
2025	\$ 235,032	\$ 206,851	\$ 28,181
2026	244,428	223,468	20,960
2027	254,208	241,044	13,164
2028	264,372	259,612	4,760
Total	<u>\$ 998,040</u>	<u>\$ 930,975</u>	<u>\$ 67,065</u>

The imputed interest rate is 3.4 percent.

PIVOT EDUCATION, INC.
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

9. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Note Payable	\$ 93,280	\$ -	\$ (31,000)	\$ 62,280	\$ 62,280
Long-Term Lease Payable	1,123,096.00	-	(192,121.00)	930,975.00	206,851.00
Total Governmental Activities	<u>\$ 1,216,376</u>	<u>\$ -</u>	<u>\$ (223,121)</u>	<u>\$ 993,255</u>	<u>\$ 269,131</u>

10. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 1,515,736
Categorical Programs:	
Class Size Reduction	209,604
Charter School Capital Outlay	136,101
Miscellaneous	48,998
Total State Revenue	<u>\$ 1,910,439</u>

As provided in the charter school contract, the District has charged the School an administrative fee of \$86,271.

11. FUNDING AND CREDIT CONCENTRATIONS

The School receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District, in the form of performance and budget-based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

12. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2024, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

PIVOT EDUCATION, INC.
D/B/A PIVOT CHARTER SCHOOL
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NOTES TO FINANCIAL STATEMENTS
June 30, 2024

13. RISK MANAGEMENT PROGRAM

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

14. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

PIVOT EDUCATON, INC.
D/B/A PIVOT CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2024

	General Fund				Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental:								
Federal Through State and Local State	\$ 1,805,977	\$ -	\$ -	\$ -	\$ 30,000	\$ 9,703	\$ 9,703	\$ -
Local and Other	15,600	28,334	28,334	-	-	-	-	-
Total Revenues	<u>1,821,577</u>	<u>1,802,672</u>	<u>1,802,672</u>	<u>-</u>	<u>30,000</u>	<u>9,703</u>	<u>9,703</u>	<u>-</u>
Expenditures:								
Current - Education:								
Instruction	946,100	927,322	927,322	-		2,219	2,219	-
Instruction & Curriculum Development	100	21,896	21,896	-	-	-	-	-
Instructional Staff Training	100	820	820	-	-	-	-	-
Board	11,400	7,325	7,325	-	-	-	-	-
General Administration	84,481	86,271	86,271	-	-	-	-	-
School Administration	256,901	274,941	274,941	-	-	-	-	-
Facilities Acquisition & Construction	180,455	91,721	91,721	-	-	-	-	-
Fiscal Services	25,300	22,732	22,732	-	-	-	-	-
Central Services		200	200	-	-	-	-	-
Student Transportation	140,000	177,370	177,370	-	-	-	-	-
Operation of Plant	126,500	141,108	141,108	-		7,484	7,484	-
Maintenance of Plant	42,000	44,853	44,853	-	-	-	-	-
Administrative Technology Services	11,600	36,684	36,684	-	-	-	-	-
Fixed Capital Outlay:								
Other Capital Outlay	-	22,140	22,140	-	-	-	-	-
Debt Service:								
Principal	-	123,282	123,282	-	-	-	-	-
Total Expenditures	<u>1,824,937</u>	<u>1,978,665</u>	<u>1,978,665</u>	<u>-</u>	<u>-</u>	<u>9,703</u>	<u>9,703</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,360)</u>	<u>(175,993)</u>	<u>(175,993)</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(3,360)	(175,993)	(175,993)	-	30,000	-	-	-
Fund Balances, July 1, 2023	160,809	160,809	160,809	-	-	-	-	-
Fund Balances, June 30, 2024	<u>\$ 157,449</u>	<u>\$ (15,184)</u>	<u>\$ (15,184)</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report

PIVOT EDUCATION, INC., D/B/A PIVOT CHARTER SCHOOL
A Charter School and Component Unit of the Hillsborough County School Board, Florida
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

1. BUDGETARY BASIS OF 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 and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.



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**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***

Independent Auditor's Report

To the Board of Directors of Pivot Education, Inc., d/b/a Pivot Charter School
A Charter School and Component Unit of the District
School Board of Hillsborough County, 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 Pivot Education, Inc., d/b/a Pivot Charter School (“School”), a charter school and component unit of the District School Board of Hillsborough County, Florida, 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 4, 2024.

Report on 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

Report on 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 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, professional style.

September 4, 2024
Tampa, Florida



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**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of Pivot Education, Inc., d/b/a Pivot Charter School
A Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Report on the Financial Statements

We have audited the financial statements of the Pivot Education, Inc., d/b/a Pivot Charter School (“School”), a charter school and component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 4, 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 4, 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 prior audit findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Pivot Charter School, 296656.

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 review of financial information provided by same.

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether 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 maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Respectfully submitted,

King Q Walker, CPAs

September 4, 2024
Tampa, Florida