

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

**Financial Statements
with Independent Auditor's Reports Thereon**

June 30, 2023



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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**PIVOT CHARTER SCHOOL- TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of Pivot Charter School - Tampa (the "School"), offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023.

Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and required supplementary information.

FINANCIAL HIGHLIGHTS

- ❖ The School ended the year with a net position of approximately \$143,000.
- ❖ For the fiscal year ended June 30, 2023, the School's revenues exceeded expenses by approximately \$11,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information to enhance the readers in understanding of the financial condition of School.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and 3) component units. The governmental activities include the School's basic services. The business-type activities are those that the School charges for certain services. For the year ended June 30, 2023, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities. The School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what money left at year-end which is available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for its general fund, as required by the Florida Statutes. The budget is legally adopted by management of the School and its Board. The budgetary comparison schedule has been included as part of the required supplementary information. The budgetary comparison schedule shows three columns: 1) the original and final budget as adopted by the Board, 2) the actual resources, charges and ending balances in the general revenue fund, and 3) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 16 of this report.

Other Reports

This document also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, Audits of Charter Schools and Similar Entities.

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

Net Position

The School's combined net position as of June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Assets:			
Current assets	\$ 288,084	\$ 300,406	(12,322)
Other assets	25,334	25,334	-
Right to use asset, net	1,082,384	1,298,868	(216,484)
Capital assets, net	<u>90,548</u>	<u>7,852</u>	<u>82,696</u>
Total assets	<u>1,486,350</u>	<u>1,632,460</u>	<u>(146,110)</u>
Liabilities:			
Current liabilities	127,275	200,477	(73,202)
Long-term liabilities	<u>1,216,376</u>	<u>1,300,219</u>	<u>(83,843)</u>
Total liabilities	<u>1,343,651</u>	<u>1,500,696</u>	<u>(157,045)</u>
Net Position:			
Investment in capital assets, net of related debt	90,548	7,852	82,696
Unrestricted	<u>52,151</u>	<u>123,912</u>	<u>(71,761)</u>
Total net position	<u>\$ 142,699</u>	<u>\$ 131,764</u>	<u>10,935</u>

The decrease in the right to use asset is a result of current year amortization of the lease asset. The increase in capital assets is due to current year fixed asset additions. The decrease in current liabilities is due to the timing of payments. The decrease in long-term liabilities is due to principal payments applied against the notes payable.

Change in Net Position

The School's total revenues exceeded total expenses by approximately \$11,000 in fiscal 2023—see table below.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Revenues:			
Federal sources passed through local school district	\$ 303,282	\$ 147,557	\$ 155,725
State and local sources	1,912,876	1,697,885	214,991
Contributions and other revenues	9,525	59,656	(50,131)
Total revenues	<u>2,225,683</u>	<u>1,905,098</u>	<u>320,585</u>
Expenses:			
Instruction	1,062,606	801,575	261,031
Curriculum development services	75	13,798	(13,723)
Board	9,116	8,000	1,116
General administration	90,112	76,474	13,638
School administration	320,083	303,864	16,219
Fiscal services	26,028	20,453	5,575
Transportation	202,984	155,060	47,924
Operation of plant	338,164	364,652	(26,488)
Maintenance of plant	125,413	32,119	93,294
Interest	40,167	48,546	(8,379)
Total expenses	<u>2,214,748</u>	<u>1,824,541</u>	<u>390,207</u>
Change in net position	<u>\$ 10,935</u>	<u>\$ 80,557</u>	<u>\$ (69,622)</u>

The increase in federal sources passed through local school district is due to the Elementary and Secondary School Emergency Relief fund reimbursement program. The change in state and local sources is due to an increase in FEFP revenue as a result of an increase in student enrollment. The increase in instruction is due to the increase in student population. The increase in maintenance of plant is due to an increase in common area repair and maintenance.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

The focus of School's governmental funds is to provide information on near term inflows, outflows, and balances of usable resources. Such information is useful in assessing School's financing requirements. Specifically, unassigned fund balance is a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the School completed the year, its governmental funds reported a combined fund balance of \$160,809.

General Revenue Fund Budgetary Highlights

During the fiscal year, the School did not amend its budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize changes in funding amounts; and 3) changes in appropriations that become necessary to maintain services.

In the general fund, budgeted revenues were less than actual amounts by approximately \$177,000. The variance in budget amounts is primarily due an increase in funding due to an increase in student enrollment. Actual expenditures were approximately \$357,000 more than budgeted amounts mainly due to increased transportation and repair and maintenance costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of fiscal 2023, the School had invested approximately \$91,000 in capital assets, net of accumulated depreciation of approximately \$901,000.

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Capital assets			
Furniture, fixtures and equipment	\$ 706,620	\$ 611,106	\$ 95,514
Leasehold improvements	285,142	285,142	-
Total	<u>991,762</u>	<u>896,248</u>	<u>95,514</u>
Less – accumulated depreciation	<u>(901,214)</u>	<u>(888,396)</u>	<u>(12,818)</u>
Capital assets, net	<u>\$ 90,548</u>	<u>\$ 7,852</u>	<u>\$ 82,696</u>

More detailed information about the Schools capital assets if presented in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ended June 30, 2024

Amounts available for appropriation in the general fund are approximately \$1,799,000, which is relatively consistent with actual 2023. Budgeted expenditures in the general fund are approximately \$2,022,000, an increase from 2023 actual amounts by approximately \$284,000, including other financial sources (uses).

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at Pivot Charter School – Tampa, 3020 S. Falkenburg Rd, Riverview, Florida 33578.



Independent Auditor's Report

To the Board of Directors of Pivot Charter School – Tampa
(A charter school under Pivot Education, Inc.)
A Charter School and Component Unit of the District
School Board of Hillsborough County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pivot Charter School – Tampa (the "School") (a charter school under Pivot Education, Inc.), a Charter School and Component Unit of the District School Board of Hillsborough County, Florida as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 of Pivot Charter School – Tampa (a charter school under Pivot Education, Inc.), a Charter School and Component Unit of the District School Board of Hillsborough County, Florida as of and for the year ended June 30, 2023, 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 Schools' 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 25, 2023, 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.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 25, 2023

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**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 147,307
Due from other agencies	104,029
Due from Pivot Education, Inc.	1,050
Prepaid expense	35,698
Deposits	25,334
Right to use asset:	
Property lease	1,460,612
Accumulated amortization	(378,228)
Total right to use asset	1,082,384
Capital assets:	
Leasehold improvements	285,142
Furniture, fixtures and equipment	706,620
Less accumulated depreciation	(901,214)
Total capital assets, net	90,548
Total assets	\$ 1,486,350
Liabilities	
Accounts payable and accrued expenses	\$ 8,342
Accrued payroll	118,933
Long-term liabilities:	
Portion due or payable within one year	
Due to Lutheran Services Florida, Inc.	72,000
Lease obligations	189,726
Portion due or payable after one year	
Due to Lutheran Services Florida, Inc.	21,280
Lease obligations	933,370
Total liabilities	1,343,651
Net Position	
Invested in capital assets, net of related debt	90,548
Unrestricted	52,151
Total net position	142,699
Total liabilities and net position	\$ 1,486,350

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

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

Statement of Activities

For the Year Ended June 30, 2023

	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction	\$ 1,062,606	\$ -	\$ 239,382	\$ -	\$ (823,224)	\$ (823,224)
Curriculum development services	75	-	-	-	(75)	(75)
Board	9,116	-	-	-	(9,116)	(9,116)
General administration	90,112	-	-	-	(90,112)	(90,112)
School administration	320,083	-	-	-	(320,083)	(320,083)
Fiscal services	26,028	-	-	-	(26,028)	(26,028)
Transportation	202,984	-	-	-	(202,984)	(202,984)
Operation of plant	338,164	-	63,900	-	(274,264)	(274,264)
Maintenance of plant	125,413	-	-	-	(125,413)	(125,413)
Interest	40,167	-	40,167	-	-	-
Total primary government	\$ 2,214,748	\$ -	\$ 343,449	\$ -	(1,871,299)	(1,871,299)
General revenues:						
State and local sources					1,872,709	1,872,709
Contributions and other revenues					9,525	9,525
Total general revenues					<u>1,882,234</u>	<u>1,882,234</u>
Changes in net position					10,935	10,935
Net position at beginning of year					<u>131,764</u>	<u>131,764</u>
Net position at end of year					<u>\$ 142,699</u>	<u>\$ 142,699</u>

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

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Other Governmental Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 147,307	\$ -	\$ 147,307
Due from other agencies	-	104,029	104,029
Prepaid expense	35,698	-	35,698
Due from Pivot Education, Inc.	1,050	-	1,050
Due from other governmental funds	104,029	-	104,029
	\$ 288,084	\$ 104,029	\$ 392,113
Total assets	\$ 288,084	\$ 104,029	\$ 392,113
Liabilities			
Accounts payable and accrued expenses	\$ 8,342	\$ -	\$ 8,342
Accrued payroll	118,933	-	118,933
Due to general fund	-	104,029	104,029
	127,275	104,029	231,304
Total liabilities	127,275	104,029	231,304
Fund Balances			
Nonspendable:			
Other assets	35,698	-	35,698
Spendable:			
Unassigned	125,111	-	125,111
	160,809	-	160,809
Total fund balances	160,809	-	160,809
Total liabilities and fund balances	\$ 288,084	\$ 104,029	\$ 392,113

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

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

**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, 2023

Total fund balances - governmental funds	\$	160,809
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets at year end consist of:

Capital Assets		991,762
Accumulated depreciation		(901,214)
Property lease		1,460,612
Accumulated amortization		(378,228)

Non-current assets are not financial resources and, therefore, are not reported as assets in the governmental funds. Non-current assets at year-end consists of:

Deposits		25,334
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Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

Due to Lutheran Services Florida, Inc.		(93,280)
Lease obligations		(1,123,096)
		(1,216,376)

Total net position - governmental activities	\$	142,699
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The accompanying notes to financial statements are an integral part of this statement.

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

**Statement of Revenues, Expenditures and
Changes in Fund Balances of the Governmental Funds**

For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Special Revenue Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
Revenues					
Federal sources passed through local school district	\$ -	\$ -	\$ 303,282	\$ -	\$ 303,282
State and local sources	1,784,417	128,459	-	-	\$ 1,912,876
Contributions and other revenues	9,525	-	-	-	9,525
Total revenues	<u>1,793,942</u>	<u>128,459</u>	<u>303,282</u>	<u>-</u>	<u>2,225,683</u>
Expenditures					
Current:					
Instruction	816,444	-	239,382	-	1,055,826
Curriculum development services	75	-	-	-	75
Board	9,116	-	-	-	9,116
General administration	90,112	-	-	-	90,112
School administration	314,045	-	-	-	314,045
Fiscal services	26,028	-	-	-	26,028
Transportation	202,984	-	-	-	202,984
Operation of plant	57,780	-	63,900	-	121,680
Maintenance of plant	125,413	-	-	-	125,413
Debt service					
Principal	-	-	-	238,123	238,123
Interest	-	-	-	40,167	40,167
Capital outlay	95,514	-	-	-	95,514
Total expenditures	<u>1,737,511</u>	<u>-</u>	<u>303,282</u>	<u>278,290</u>	<u>2,319,083</u>
Excess (deficiencies) of revenues over expenditures	<u>56,431</u>	<u>128,459</u>	<u>-</u>	<u>(278,290)</u>	<u>(93,400)</u>
Other Financing Sources (Uses)					
Operating transfer in	-	-	-	278,290	278,290
Operating transfer out	(149,831)	(128,459)	-	-	(278,290)
Total other financing uses	<u>(149,831)</u>	<u>(128,459)</u>	<u>-</u>	<u>278,290</u>	<u>-</u>
Net change in fund balance	<u>(93,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,400)</u>
Fund balances at beginning of year	254,209	-	-	-	254,209
Fund balances at end of year	<u>\$ 160,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,809</u>

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

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of the Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2023

Net change in fund balances - governmental funds	\$ (93,400)
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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 and reported as depreciation expense. This is the amount incurred in the current period:

Capital outlays	95,514
Depreciation expense	(12,818)
Amortization expense	(216,484)

Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.

238,123

Change in net position of governmental activities	\$ <u>10,935</u>
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The accompanying notes to financial statements are an integral part of this statement.

**PIVOT CHARTER SCHOOL- TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

Notes to Financial Statements

For the Year Ended June 30, 2023

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Pivot Charter School - Tampa (the "School"), is a charter school under Pivot Education, Inc. Pivot Education, Inc., which is a nonprofit company organized pursuant to Chapter 608, Florida Statutes. The governing body of the School is the Board of Governance, which is comprised of five individuals.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not present fairly the financial position of Pivot Education, Inc. as of June 30, 2023, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Hillsborough County Florida (the "School Board"). The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB").

Charter Contract

The current charter has been extended for five years and expires on June 30, 2026. Upon compliance with financial reporting, the charter may be renewed every five years unless a longer term is required by law, by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter expiration. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the "Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book" issued by the Florida Department of Education.

**PIVOT CHARTER SCHOOL- TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

**Notes to Financial Statements
(continued)**

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to those of a private-sector business. The statement of net position and statement of activities are designed to provide financial information as a whole about the School on an accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient for goods and services offered by the program, grants and contributions restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenue.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are the major individual governmental funds reported in the fund financial statements:

- General Fund – is the School's primary operating fund that accounts for all financial resources of the school, except those required to be accounted for in another fund.
- Capital Projects Fund: – to account for all resources for the acquisition or construction of capital items by the School purchased with Capital Outlay funds.
- Special Revenue Fund: – to account the proceeds of specific revenue sources that restricted or committed to expenditures for a specific purpose including all federal grant revenues passed through the School District.
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principal, interest and related costs.

For the purpose of these statements, the general, capital project, and special revenue are considered the major funds. The debt service funds is a non-major fund and reported as other governmental fund.

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**Notes to Financial Statements
(continued)**

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reports 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditure is made. Expenditures are recorded 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition of capital leases are reported as other financing sources.

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with a financial institution.

The School maintains its cash with one financial institution. The School's account at this institution, at times, may exceed the federally insured limit of \$250,000. The School has not experienced any losses in such account and does not believe it is exposed to any significant risks.

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**Notes to Financial Statements
(continued)**

Capital Assets and Depreciation

The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date of donation. The School capitalizes assets with a cost of \$1,000 or more. Expenditures of normal maintenance and repair that do not add to the assets' value or extend the useful lives are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Leasehold Improvements	2 - 5
Furniture, fixtures and equipment	5

Lease Asset and Liability

In 2022, the School implemented GASB Statement No. 87 - Leases, which requires the recognition of certain long term lease contracts in which the School has control of a non-financial asset. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments and reasonably certain guarantees. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

The non-financial asset is recorded as an intangible right-to-use asset. The right-to-use asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. The right-to-use asset is amortized over the shorter of the useful life of the asset or lease term. In fiscal year 2022, the School recognized a right-to-use asset and a lease liability of \$1,460,612, which applies to their educational facility lease.

Information related to the change in the right-to-use asset and lease liability is presented in Note 5.

Net Position and Fund Balance Classifications

Government-wide financial statements

Net Position is classified and reported in three components:

- Investment in capital assets, net of related debt – 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 – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund financial statements

**PIVOT CHARTER SCHOOL- TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

**Notes to Financial Statements
(continued)**

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 non-spendable 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 amounts 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.

This statement also clarifies the definition of the special revenue fund to denote that the special revenue fund may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental or for major capital projects) legally restricted to expenditures for specified purposes.

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 classified as restricted fund balance. It is possible for non-general funds to be classified as restricted fund balance. It is also possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

Revenue Sources

Revenues for operations are provided primarily from the District School Board of Hillsborough County, Florida pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the Charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through

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**Notes to Financial Statements
(continued)**

the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The School Board receives a 5% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative fee is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances (deficit) – governmental funds. This administrative fee is reduced from the 5% administrative fee normally charged to the School as the School has earned a high performing designation. In order to maintain its designation, the School must maintain an A or B school grade, receive an unqualified opinion on the annual financial audit, and cannot have a financial emergency.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) the School's un-weighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the Florida 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 2022-2023 school year, the School reported 237.61 un-weighted FTE. The district fee is levied on the revenue for the first 250 un-weighted FTE. Weighted funding represented approximately 6% of total state funding.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the 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)
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Section 1011.62(1)(e), Florida Statutes, and Rule 6A-6.03411, FAC)

The School received additional funding under other state grants. This assistance is generally received based on applications submitted to various granting agencies. For state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures.

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**Notes to Financial Statements
(continued)**

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted 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 balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Recently Issued Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This pronouncement establishes a definition for SBITAs and provides guidance for accounting and financial reporting for transactions that meet that definition. Under this pronouncement, a school is required to recognize an intangible right-to-use subscription asset and corresponding subscription liability, thereby enhancing the relevance and consistency of information about a school's activities. The cumulative effect of any changes implemented to conform to this pronouncement would be reported as a restatement of beginning net position and fund balance. The original effective implementation date was reporting periods beginning after June 15, 2021. However, GASB Statement No. 95 postponed the implementation of this statement to be effective for reporting beginning after June 15, 2022. Currently, the School is not engaged in any software subscription services but is aware of the adoption of this Statement.

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

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**Notes to Financial Statements
(continued)**

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets:				
Furniture, fixtures and equipment	\$ 611,106	\$ 95,514	\$ -	\$ 706,620
Leasehold improvements	285,142	-	-	285,142
Total capital assets	<u>896,248</u>	<u>95,514</u>	<u>-</u>	<u>991,762</u>
Accumulated depreciation:				
Furniture, fixtures and equipment	(600,869)	(12,818)	-	(613,687)
Leasehold improvement	(287,527)	-	-	(287,527)
Total accumulated depreciation	<u>(888,396)</u>	<u>(12,818)</u>	<u>-</u>	<u>(901,214)</u>
Capital assets, net	<u>\$ 7,852</u>	<u>\$ 82,696</u>	<u>\$ -</u>	<u>\$ 90,548</u>
Depreciation expense:				
Instruction		\$ 6,781		
School administration		<u>6,037</u>		
Total governmental activities depreciation expense		<u>\$ 12,818</u>		

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**Notes to Financial Statements
(continued)**

4 DUE TO LUTHERN SERVICES, INC.

For the fiscal year ended June 30, 2023, the School has an amount owed to Lutheran Services, Inc. of approximately \$93,000 in connection with prior management fees and other direct costs of the School. In 2022, the note was converted to a loan with 0% interest charged. Current year payments towards this note totaled \$61,000. Future payments are as follows:

Year ended June 30:	Principal
2024	\$ 72,000
2025	21,280
Total payments	\$ 93,280

5 LONG TERM LEASE LIABILITY

During May 2011, the School entered into a lease agreement for its education facilities. The original lease was amended in June 2018 to extend the lease and include additional facilities. The lease expires June 30, 2028. The lease requires that the School pays and maintains fire, extended risk, pollution, and liability insurance coverage for all building, structures and their contents. Future minimum payments under this lease agreement are as follows:

Year ended June 30:	Principal	Interest	Total
2024	\$ 189,726	\$ 36,263	\$ 225,989
2025	205,700	29,329	235,029
2026	222,608	21,821	244,429
2027	240,497	13,710	254,207
2028	264,565	4,960	269,525
Total lease payments	\$ 1,123,096	\$ 106,083	\$ 1,229,179

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**A Charter School and Component Unit of the
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**Notes to Financial Statements
(continued)**

6 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

District School Board of Hillsborough County, Florida:

Florida Education Finance Program	\$ 1,110,200
Class size reduction	220,443
Capital outlay	128,459
Discretionary local effort	108,246
ESE guaranteed allocation	62,633
Teacher salary increase	56,704
Supplemental academic instruction	53,159
Discretionary millage	52,654
Transportation	50,038
Instructional materials	18,287
Safe schools	13,483
Reading allocation	11,983
Mental health	10,684
Industrial certification	7,484
Total funds compression	6,198
Teacher lead	2,628
Safety and security grant	1,355
	<hr/>
Total	<u>\$ 1,914,638</u>

The administrative fee paid to the School Board during the year ended June 30, 2023 totaled approximately \$90,000 which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

7 RELATED PARTIES

As disclosed in Note 1, the School is part of Pivot Education, Inc. which is a nonprofit company organized pursuant to Chapter 608, Florida Statutes. There were no significant transactions between Pivot Charter School-Tampa and Pivot Education, Inc.

8 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. The School is part of a self-insured health insurance plan through Pivot Education, Inc. Settled claims resulting from these risks have not historically exceeded commercial coverage.

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**A Charter School and Component Unit of the
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**Notes to Financial Statements
(continued)**

9 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal 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 receivable at year end may be impaired.

Management believes there are no significant contingent 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.

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.

10 INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax position for the past three tax year are subject to examination by tax authorities, and may change upon examination.

11 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 25, 2023 which is the date the financial statements were available to be issued.

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State and local sources	\$ 1,601,442	\$ 1,601,442	\$ 1,784,417	\$ 182,975
Contributions and other revenues	15,000	15,000	9,525	(5,475)
Total revenues	<u>1,616,442</u>	<u>1,616,442</u>	<u>1,793,942</u>	<u>177,500</u>
EXPENDITURES				
Current:				
Instruction	798,836	798,836	816,444	17,608
Curriculum development services	15,650	15,650	75	(15,575)
Board	8,500	8,500	9,116	616
General administration	77,622	77,622	90,112	12,490
School administration	257,093	257,093	314,045	56,952
Fiscal services	1,669	1,669	26,028	24,359
Transportation	22,500	22,500	202,984	180,484
Operation of plant	135,200	135,200	57,780	(77,420)
Maintenance of plant	33,000	33,000	125,413	92,413
Capital outlay	30,000	30,000	95,514	65,514
Total expenditures	<u>1,380,070</u>	<u>1,380,070</u>	<u>1,737,511</u>	<u>357,441</u>
Excess (deficiencies) of revenue over expenditures	<u>236,372</u>	<u>236,372</u>	<u>56,431</u>	<u>(179,941)</u>
Other Financing Sources (Uses)				
Operating transfer out	(195,150)	(195,150)	(149,831)	45,319
Total other financing sources	<u>(195,150)</u>	<u>(195,150)</u>	<u>(149,831)</u>	<u>45,319</u>
Net change in fund balance	41,222	41,222	(93,400)	(134,622)
Fund balance at beginning of year	254,209	254,209	254,209	-
Fund balance at end of year	<u>\$ 295,431</u>	<u>\$ 295,431</u>	<u>\$ 160,809</u>	<u>\$ (134,622)</u>

See report of independent auditors.

**PIVOT CHARTER SCHOOL - TAMPA
(A CHARTER SCHOOL UNDER PIVOT EDUCATION, INC.)**

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

Required Supplementary Information

Budgetary Comparison Schedule - Special Revenue Fund

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State and local sources	\$ -	\$ -	\$ 303,282	\$ 303,282
Total revenues	-	-	303,282	303,282
EXPENDITURES				
Current:				
Instruction			239,382	239,382
Operation of plant			63,900	63,900
Total expenditures	-	-	303,282	303,282
Excess (deficiencies) of revenue over expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See report of independent auditors.



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Board of Directors of Pivot Charter School – Tampa
(A Charter School under Pivot Educations, Inc.)
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 the major funds of Pivot Charter School – Tampa, (the "School") a charter school under Pivot Education, Inc. and component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2023, 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 25, 2023.

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 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 deficiencies in internal control that we consider to be material weaknesses. However, material weakness 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 instance 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.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 25, 2023

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**Additional Information Required by
Rules of the Auditor General,
Chapter 10.850, *Audits of Charter Schools
and Similar Entities***



**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 Charter School – Tampa
(A Charter School under Pivot Educations, Inc.)
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 Pivot Charter School – Tampa (the “School”) a charter school under Pivot Education, Inc. and component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 25, 2023.

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, if applicable, which is dated, September 25, 2023, 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 year findings or recommendations.

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is Pivot Charter School – Tampa. The School code is 6656.

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)(a), 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.

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 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 note 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 Hillsborough County School Board and is not intended to be and should not be used by anyone other than these specified parties.

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 25, 2023

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