

**Pace Center for Girls, Inc. and Affiliates**

**Consolidated Financial Statements  
and Supplementary Information**

**June 30, 2021 and 2020**

**Pace Center for Girls, Inc. and Affiliates**  
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**June 30, 2021 and 2020**

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## Independent Auditors' Report

To the Board of Trustees  
Pace Center for Girls, Inc. and Affiliates

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Pace Center for Girls, Inc. and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020 and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Pace Center for Girls, Inc. and Affiliates as of June 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on Pages 22 through 25 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of state financial assistance, as required by *Chapter 10.650, Rules of the State of Florida Auditor General*, is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2021 on the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

*Warren Averett, LLC*

Tampa, Florida  
September 23, 2021

## **Consolidated Financial Statements**

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**Pace Center for Girls, Inc. and Affiliates**  
**Consolidated Statements of Financial Position**  
June 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,858,834	\$ 2,692,414
Investments	8,099,607	6,674,107
Contracts and grants receivable	3,427,416	5,105,505
Pledges receivable - current (net of reserves of \$47,519 and \$36,512)	254,918	318,599
Prepaid expenses and other assets	1,452,514	805,540
<b>Total current assets</b>	<b>20,093,289</b>	<b>15,596,165</b>
<b>Noncurrent Assets</b>		
Pledges receivable - long-term (net of reserves and discounts of \$57,014 and \$67,563)	306,054	610,761
Property and equipment, net	21,799,031	19,988,398
<b>Total noncurrent assets</b>	<b>22,105,085</b>	<b>20,599,159</b>
<b>Total Assets</b>	<b>\$ 42,198,374</b>	<b>\$ 36,195,324</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Notes payable - current	\$ 360,970	\$ 468,643
Accounts payable and accrued expenses	955,021	785,343
Accrued payroll and benefits	5,130,664	4,294,983
Deferred revenue	66,286	326,608
<b>Total current liabilities</b>	<b>6,512,941</b>	<b>5,875,577</b>
<b>Noncurrent Liabilities</b>		
Notes payable, net of current portion and unamortized loan costs	6,750,566	6,756,043
Other liabilities	458,181	-
<b>Total noncurrent liabilities</b>	<b>7,208,747</b>	<b>6,756,043</b>
<b>Total Liabilities</b>	<b>13,721,688</b>	<b>12,631,620</b>
<b>Net Assets</b>		
Without donor restrictions	24,745,001	20,292,046
With donor restrictions	3,731,685	3,271,658
<b>Total net assets</b>	<b>28,476,686</b>	<b>23,563,704</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 42,198,374</b>	<b>\$ 36,195,324</b>

See accompanying notes to the consolidated financial statements.

**Pace Center for Girls, Inc. and Affiliates**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total All Classes
<b>Support and Revenue</b>			
Public grants - Florida Department of Juvenile Justice	\$ 23,204,440	\$ -	\$ 23,204,440
Public grants - School Boards	9,047,772	-	9,047,772
Grants - other	6,532,086	197,636	6,729,722
Contributions	3,766,764	5,681,411	9,448,175
In-kind contributions	223,380	-	223,380
Interest and dividend income	133,071	21,538	154,609
Net realized and unrealized gain on investments	1,297,823	-	1,297,823
Other	15,525	-	15,525
<b>Total support and revenue</b>	<b>44,220,861</b>	<b>5,900,585</b>	<b>50,121,446</b>
<b>Net assets released from restrictions</b>	<b>5,440,558</b>	<b>(5,440,558)</b>	<b>-</b>
<b>Expenses</b>			
Program services	37,379,284	-	37,379,284
Management and general	4,939,361	-	4,939,361
Fundraising	2,889,819	-	2,889,819
<b>Total expenses</b>	<b>45,208,464</b>	<b>-</b>	<b>45,208,464</b>
<b>Change in net assets</b>	<b>4,452,955</b>	<b>460,027</b>	<b>4,912,982</b>
<b>Net assets, beginning of year</b>	<b>20,292,046</b>	<b>3,271,658</b>	<b>23,563,704</b>
<b>Net assets, end of year</b>	<b>\$ 24,745,001</b>	<b>\$ 3,731,685</b>	<b>\$ 28,476,686</b>

See accompanying notes to the consolidated financial statements.

**Pace Center for Girls, Inc. and Affiliates**  
**Consolidated Statement of Activities**  
**For the Year Ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total All Classes
<b>Support and Revenue</b>			
Public grants - Florida Department of Juvenile Justice	\$ 22,252,824	\$ -	\$ 22,252,824
Public grants - School Boards	8,330,899	-	8,330,899
Grants - other	572,767	2,459,597	3,032,364
Contributions	8,396,147	2,194,803	10,590,950
In-kind contributions	337,485	-	337,485
Interest and dividend income	103,197	20,019	123,216
Net realized and unrealized gain on investments	265,458	-	265,458
Other	124	-	124
<b>Total support and revenue</b>	<b>40,258,901</b>	<b>4,674,419</b>	<b>44,933,320</b>
<b>Net assets released from restrictions</b>	<b>6,498,223</b>	<b>(6,498,223)</b>	<b>-</b>
<b>Expenses</b>			
Program services	37,709,438	-	37,709,438
Management and general	4,683,608	-	4,683,608
Fundraising	3,029,123	-	3,029,123
<b>Total expenses</b>	<b>45,422,169</b>	<b>-</b>	<b>45,422,169</b>
<b>Change in net assets</b>	<b>1,334,955</b>	<b>(1,823,804)</b>	<b>(488,849)</b>
<b>Net assets, beginning of year</b>	<b>18,957,091</b>	<b>5,095,462</b>	<b>24,052,553</b>
<b>Net assets, end of year</b>	<b>\$ 20,292,046</b>	<b>\$ 3,271,658</b>	<b>\$ 23,563,704</b>

See accompanying notes to the consolidated financial statements.



**Pace Center for Girls, Inc. and Affiliates**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 4,912,982	\$ (488,849)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,006,536	1,111,087
Unrealized gain on investments	(1,015,521)	(338,159)
Bad debt expense on pledges receivable	68,358	146,341
Changes in:		
Contracts and grants receivable	1,678,089	(1,237,532)
Pledges receivable	300,030	(432,576)
Prepaid expenses and other assets	(646,974)	(248,128)
Accounts payable and accrued expenses	169,678	(647,832)
Accrued payroll and benefits	835,681	631,024
Deferred revenue	(260,322)	66,848
Other liabilities	458,181	-
Net cash provided by (used in) operating activities	<u>7,506,718</u>	<u>(1,437,776)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	2,092,913	7,172,073
Purchases of property and equipment	(2,817,169)	(5,084,509)
Purchases of investments	(2,502,892)	(5,687,016)
Net cash used in investing activities	<u>(3,227,148)</u>	<u>(3,599,452)</u>
<b>Cash flows from financing activities</b>		
Proceeds from lines of credit	500,000	-
Proceeds from notes payable	514,857	2,460,143
Repayments of lines of credit	(500,000)	-
Principal repayments of notes payable	(628,007)	(593,619)
Payment of loan issuance costs	-	(94,486)
Net cash (used in) provided by financing activities	<u>(113,150)</u>	<u>1,772,038</u>
<b>Net change in cash and cash equivalents</b>	4,166,420	(3,265,190)
<b>Cash and cash equivalents - beginning of the year</b>	<u>2,692,414</u>	<u>5,957,604</u>
<b>Cash and cash equivalents - end of the year</b>	<u><u>\$ 6,858,834</u></u>	<u><u>\$ 2,692,414</u></u>
<b>Supplemental disclosure of cash flow information and noncash investing and financing activities</b>		
Cash paid for interest expense	<u><u>\$ 347,613</u></u>	<u><u>\$ 260,869</u></u>

See accompanying notes to the consolidated financial statements.

**Pace Center for Girls, Inc. and Affiliates**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2021**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 22,409,127	\$ 2,772,216	\$ 1,771,818	\$ 26,953,161
Payroll taxes and employee benefits	5,276,457	543,895	388,720	6,209,072
Employee training and recruiting	160,550	278,481	25,357	464,388
Contracted personnel	36,726	33,616	4,747	75,089
	<b>27,882,860</b>	<b>3,628,208</b>	<b>2,190,642</b>	<b>33,701,710</b>
Occupancy	2,689,420	361,700	26,558	3,077,678
Telecommunication	1,065,849	59,630	192	1,125,671
Equipment	1,656,364	184,041	17,994	1,858,399
Vehicle	387,108	50,302	48,601	486,011
Business and property insurance	511,235	56,804	-	568,039
Professional fees	173,646	283,598	342,195	799,439
Materials and supplies	145,664	20,780	18,264	184,708
Outreach and community engagement	89,846	11,309	46,554	147,709
Student costs	1,189,024	-	-	1,189,024
Travel	138,195	31,355	4,382	173,932
Special events	-	-	194,437	194,437
Depreciation and amortization	754,902	251,634	-	1,006,536
Uncollectible accounts	68,358	-	-	68,358
Interest	347,613	-	-	347,613
In-kind	157,956	-	-	157,956
Other	121,244	-	-	121,244
<b>Total Expenses</b>	<b>\$ 37,379,284</b>	<b>\$ 4,939,361</b>	<b>\$ 2,889,819</b>	<b>\$ 45,208,464</b>

See accompanying notes to the consolidated financial statements.

**Pace Center for Girls, Inc. and Affiliates**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2020**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 22,647,447	\$ 2,243,517	\$ 1,492,677	\$ 26,383,641
Payroll taxes and employee benefits	5,860,311	179,481	257,607	6,297,399
Employee training and recruiting	292,310	379,283	32,262	703,855
Contracted personnel	254,683	59,507	43,883	358,073
	<u>29,054,751</u>	<u>2,861,788</u>	<u>1,826,429</u>	<u>33,742,968</u>
Occupancy	2,634,565	328,706	-	2,963,271
Telecommunication	969,475	257,403	44	1,226,922
Equipment	963,719	307,270	108,118	1,379,107
Vehicle	293,089	56,320	-	349,409
Business and property insurance	133,750	283,240	-	416,990
Professional fees	164,082	345,652	283,804	793,538
Materials and supplies	206,447	25,453	26,948	258,848
Outreach and community engagement	158,271	32,001	43,121	233,393
Student costs	1,494,960	-	14,657	1,509,617
Travel	411,047	-	22,900	433,947
Special events	-	-	554,334	554,334
Depreciation and amortization	944,423	166,664	-	1,111,087
Uncollectible accounts	-	-	146,341	146,341
Interest	260,444	-	-	260,444
Other	20,415	19,111	2,427	41,953
<b>Total Expenses</b>	<u><u>\$ 37,709,438</u></u>	<u><u>\$ 4,683,608</u></u>	<u><u>\$ 3,029,123</u></u>	<u><u>\$ 45,422,169</u></u>

See accompanying notes to the consolidated financial statements.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**1. Nature of Organization**

Pace Center for Girls, Inc. (“Pace”) is a not-for-profit organization incorporated under the laws of the State of Florida in 1985.

The mission of Pace is to provide girls and young women an opportunity for a better future through education, counseling, training, and advocacy. Pace programs serve girls between the ages of 11 and 17 with three or more Adverse Childhood Experiences and who are at high-risk for delinquent behavior and victimization. Pace employs gender-responsive, trauma-informed, and strength-based prevention and early intervention programs and services for girls with multiple risk factors. Today, through a statewide network of 23 Pace centers that provide the full academic school day and comprehensive wrap around services, Pace annually helps more than 3,000 girls get back on track to graduate from high school.

Pace also partners with school districts and community healthcare partners to bring much needed mental health services to young women through its Pace Reach Program.

Pace currently operates in the Florida counties of Alachua, Broward, Citrus, Clay, Collier, Duval, Escambia-Santa Rosa, Hernando, Hillsborough, Lee, Leon, Manatee, Marion, Miami-Dade, Orange, Palm Beach, Pasco, Pinellas, Polk, St. Lucie, and Volusia-Flagler, as well as in Macon and Peach County, Georgia.

Pace continues to act on its goal of serving more girls in critical need through expansion, most recently with its first expansion out of Florida into Macon-Bibb County, Georgia. Pace began work within Macon-Bibb establishing relationships through a Girls Coordinating Council (GCC). The GCC, initially convened by Pace, has 22 members representing organizations across Macon who identified four focus areas for their work: teen pregnancy, mental health, illegal behavior, and victimization. Pace expanded its school-based counseling services to a second high school in Macon and offers individual and group counseling. Pace’s Girls Circle continues to serve girls in the youth detention center in Macon, and it launched a diversion program in which girls who are facing likely incarceration are offered a chance to enroll in counseling instead.

Pace-THC, Inc. (“Pace-THC”), Pace Broward-THC, Inc. (“Pace Broward-THC”), Pace Collier At Immokalee-THC, Inc. (“Pace Collier at Immokalee-THC”) and Pace Alachua-THC, Inc. (“Pace Alachua-THC”) are affiliated not-for-profit organizations incorporated under the laws of the State of Florida in 1995, 2001, 2006, and 2009, respectively. Their purpose is to hold title to property in the counties of Duval, Manatee, Escambia, Broward, Collier, Lee, and Alachua, Florida, to be used exclusively for educational, literary, scientific, or charitable purposes, to collect income therefrom, and to turn over the entire amount thereof, less expenses, to Pace.

Pace, Pace-THC, Pace Broward-THC, Pace Collier at Immokalee-THC, AND Pace Alachua-THC are collectively referred to herein as the “Organization.”

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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## **2. Summary of Significant Accounting Policies**

### ***Basis of Presentation***

The consolidated financial statements of the Organization are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions: Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions: Net assets whose use is limited by donor-imposed and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts and activities of Pace, Pace-THC, Pace Broward-THC, Pace Collier at Immokalee-THC, and Pace Alachua-THC, collectively referred to herein as the "Organization." All significant intercompany accounts and transactions have been eliminated.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

For purposes of the consolidated statements of financial position and the consolidated statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains cash balances in several bank accounts. Each account is insured by the Federal Deposit Insurance Corporation up to \$250,000. Management continually reviews the bank institutions for deposit risk and believes the risk associated with the current banking institutions is minimal.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**2. Summary of Significant Accounting Policies (continued)**

***Investments***

Investments are stated at fair value based on quoted market prices. If the purchase price of U.S. Government Treasury Notes and other securities is greater than or less than the par value of such individual securities, the difference is calculated and recorded as a premium or discount from par value of the related security, amortized over the remaining life of the individual security and recorded as an increase or reduction of unrestricted support and revenue in the accompanying consolidated statements of activities of the Organization. The net unrealized increase or decrease in fair value is recognized in the accompanying consolidated statements of activities. The objective of the Organization's investment policy is to ensure the safety of investment principal, provide for liquidity, and maximize investment income. Investment options include treasury bills, notes and bonds, commercial paper, certificates of deposit, money market accounts, full faith or general faith obligations and credit obligations of the U.S. Government agency securities, equity, balanced, and diversified mutual funds with readily available market values and liquidity. The Finance Committee of the Organization continues to assess investments with a goal of ensuring the safety of the principal by investing with high-quality financial institutions.

***Contracts and Grants Receivable***

Contracts and grants receivable are stated net of an allowance for doubtful accounts. Management evaluates total contracts and grants receivable and includes in the allowance for doubtful accounts an estimate of losses to be sustained. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote. The allowances for doubtful accounts were zero at June 30, 2021 and 2020. The Organization does not charge interest on past due contracts or grant receivables.

***Pledges Receivable***

Unconditional promises to give are recorded as pledges receivable and contribution revenue when received. Pledges receivable which are expected to be collected in more than one year are stated at the present value of estimated receipts. Conditional promises to give are not included in contribution revenue until the conditions are substantially met. Uncollectible amounts are charged against the allowance account when management determines the possibility of collection is remote.

***Property and Equipment***

Property and equipment are recorded at historical cost, or fair value at the date of donation. Land, land improvements, buildings, building improvements, computers, furniture, equipment, and vehicles in excess of \$2,500 are capitalized. Depreciation is computed using the straight-line method over the useful lives of the related assets, ranging generally from 3 to 40 years. Leasehold improvements are amortized over their estimated useful lives, which do not exceed the related lease terms, using the straight-line method.

***Impairment of Long-lived Assets***

The Organization reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of long-lived assets is measured by comparing the carrying amount of the asset or asset group to the undiscounted cash flows that the asset or asset group is expected to generate. If the undiscounted cash flows of such assets are less than the carrying amount, the impairment to be recognized is measured by the amount by which the carrying amount, if any, exceeds its fair value. No impairments were deemed to exist at June 30, 2021 and 2020.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**2. Summary of Significant Accounting Policies (continued)**

***Loan Costs***

Debt issuance costs are presented in the balance sheet as a direct deduction from the carrying amount of the debt liability. Deferred loan costs are amortized over the life of the related loan on a straight line basis, which approximates the effective interest method.

***Contributions Received In-Kind***

The Organization occupies, without charge or for nominal charges, certain facilities used for its program services. In addition, the Organization receives in-kind student costs, supplies, and other expenses. The estimated fair value of donated rent, student costs, supplies, and other expenses are reported in the accompanying consolidated financial statements at the date of receipt.

***Contribution of Services***

Contributed services are recognized and recorded at fair value only to the extent they create and enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no contributed services recorded during 2021 and 2020.

A substantial number of volunteers have donated significant amounts of their time to the Organization. No amounts have been reflected in the consolidated financial statements for contributed services since the contribution of services did not create or enhance non-financial assets or require specialized skills. When professional services are donated, in-kind values are recorded as contributions.

***Public Grants and Grants - Other***

Public grants from government agencies are recorded based on the terms of the grantor allotment which generally provide that revenue is earned when the allowable costs or units of service of the specific grant provisions have been incurred or provided. Such revenue is subject to audit by the grantor and, if the examination results in a non-allowance of units of service or expenses, the Organization could be required to reimburse any overpayments.

***Special Events***

The Organization recognizes special events revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, the core principle of which is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to receive in exchange for those goods or services. To achieve this core principle, five basic criteria must be met before revenue can be recognized: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to performance obligations in the contract; and (5) recognize revenue when or as the Organization satisfies a performance obligation.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**2. Summary of Significant Accounting Policies (continued)**

Special events revenue is recognized at the point in time when events take place. There are no variable consideration amounts and no significant financing components associated with special events. The Organization considers special events to be ongoing major activities; therefore, the gross revenue is reported on the consolidated statements of activities. Special events revenue of approximately \$1,803,000 and \$1,487,000 for the years ended June 30, 2021 and 2020, respectively, is included in contributions on the consolidated statements of activities. Expenses related to the special events are reported on the consolidated statements of functional expenses according to the program or supporting service benefitted.

***Income Taxes***

Pace is a private not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code. Pace-THC, Pace Broward-THC, Pace Collier at Immokalee -THC, and Pace Alachua-THC are private not-for-profit corporations as described in Section 501(c)(2) of the Internal Revenue Code. As such, all will be exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

The Organization evaluates its tax positions for any uncertainties based on the technical merits of the positions taken in accordance with authoritative guidance. The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be upheld upon examination by taxing authorities. The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2021 and 2020, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

***Functional Expense Allocation***

The consolidated costs of providing program and management activities have been summarized on a functional basis in the consolidated statements of activities and the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and amortization and occupancy, which are allocated on a square footage basis.

***Reclassifications***

Certain minor reclassifications have been made to the 2020 financial statements in order to conform to the classifications used in 2021. There was no impact to previously reported amounts of changes in net assets as a result of these reclassifications.

***Impact of Recently Issued Accounting Pronouncements***

***Leases***

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This guidance amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their statement of financial position. It also makes targeted changes to lessor accounting, including a change to the treatment of initial direct leasing costs, which no longer considers fixed internal leasing salaries as capitalizable costs. As amended, the standard is effective fiscal years beginning after December 15, 2021. Management is evaluating the impact of this ASU on the Organization's financial reporting.



**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**2. Summary of Significant Accounting Policies (continued)**

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-For-Profit entities for Contributed Nonfinancial Assets. This ASU was issued to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The ASU states that contributed nonfinancial assets be presented on a separate item in the statement of activities apart from contributions of cash and other financial assets. The ASU also outlines specific disclosures that must be made regarding the contributed nonfinancial assets. The effective date is for fiscal years beginning after June 15, 2021. Management is evaluating the impact of this ASU on the Organization's financial reporting.

**3. Pledges Receivable**

Pledges receivable are comprised of unconditional promises to give with collection periods through June 30, 2026. Pledges receivable are recorded after discounting to the present value of future cash flows using a rate of 4%. Pledges receivable are as follows:

<i>Years ended June 30,</i>	2021	2020
Receivable in less than one year	\$ 302,437	\$ 355,111
Receivable in one to five years	363,068	678,324
	665,505	1,033,435
Less: discounts to net present value	(31,453)	(53,095)
Less: allowance for doubtful accounts	(73,080)	(50,980)
Net pledges receivable	\$ 560,972	\$ 929,360

**4. Investments and Fair Value Measurements**

Investments are summarized as follows:

<i>Years ended June 30,</i>	2021	2020
Mutual Funds	\$ 4,753,918	\$ 3,136,842
Fixed income funds	1,133,463	1,464,977
Government agencies	717,795	802,581
Other short-term investments	161,261	210,351
Corporate bonds	1,203,235	992,444
Real estate	129,935	66,912
Total	\$ 8,099,607	\$ 6,674,107

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**4. Investments and Fair Value Measurements (continued)**

The Organization's investments are reported at fair value. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy as described as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2:** Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in the active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If that asset or liability has a specified (contractual) term, the level 2 inputs must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a summary of the levels within the fair value hierarchy for the Organization's assets measured at fair value on a recurring basis as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 4,753,918	\$ -	\$ -	\$ 4,753,918
Fixed income funds	1,133,463	-	-	1,133,463
Government agencies	717,795	-	-	717,795
Other short-term investments	161,261	-	-	161,261
Corporate bonds	1,203,235	-	-	1,203,235
Other	129,935	-	-	129,935
<b>Total</b>	<b>\$ 8,099,607</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,099,607</b>

The following is a summary of the levels within the fair value hierarchy for the Organization's assets measured at fair value on a recurring basis as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 3,136,842	\$ -	\$ -	\$ 3,136,842
Fixed income funds	1,464,977	-	-	1,464,977
Government agencies	802,581	-	-	802,581
Other short-term investments	210,351	-	-	210,351
Corporate bonds	992,444	-	-	992,444
Other	66,912	-	-	66,912
<b>Total</b>	<b>\$ 6,674,107</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,674,107</b>

There were no transfers between Level 1, Level 2, or Level 3 investments during the years ended June 30, 2021 and 2020.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**5. Property and Equipment**

Property and equipment consist of the following:

<i>Years ended June 30,</i>	2021	2020
Buildings and improvements	\$ 26,059,993	\$ 25,030,428
Land and improvements	3,545,162	3,545,162
Furniture and equipment	2,022,212	1,987,950
Vehicles	515,356	515,356
Construction in progress	2,732,594	981,266
Leasehold improvements	135,755	135,755
	35,011,072	32,195,917
Less: accumulated depreciation and amortization	(13,212,041)	(12,207,519)
<b>Total</b>	<b>\$ 21,799,031</b>	<b>\$ 19,988,398</b>

Depreciation expense amounted to \$1,006,536 and \$1,111,087 for the years ended June 30, 2021 and 2020, respectively.

**6. Notes Payable**

Notes payable consist of the following:

<i>Years ended June 30,</i>	2021	2020
Fixed rate term loan for the Organization's National Office in Jacksonville, Florida. Monthly payments of \$14,114 including interest at 4.87%, with a maturity date of November 1, 2023.	\$ 1,576,797	\$ 1,665,898
Fixed rate term loan for the Organization's Broward County facility. Monthly payments of \$11,761 including interest at 4.87%, with a maturity date of November 1, 2023. The note is secured by the land and building of Pace Broward-THC, with a net book value of \$941,335.	1,314,076	1,388,272
Mortgage payable for the Organization's Leon County facility. Monthly payments of \$6,164 including interest at 4.55%, with a maturity date of April 21, 2028. The note is secured by the land and building of Pace-THC, with a net book value of \$1,116,544.	1,136,884	1,157,873
Fixed rate term loan for the Organization's Alachua County facility. Monthly payments of \$2,689 including interest at 4.87%, with a maturity date of November 1, 2023.	300,520	317,496

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

**6. Notes Payable (continued)**

<i>Years ended June 30,</i>	2021	2020
Mortgage payable for the Organization's Palm Beach facility. Monthly payments of \$22,320 including interest at 4.15%, with a maturity date of April 1, 2030. The note is secured by the land and building of Pace Broward-THC, with a net book value of \$2,479,111.	2,877,762	2,460,143
Variable rate term loan for the Organization's Clay County facility. Monthly principal payments of \$5,417 plus accrued interest at the LIBOR daily floating rate plus 2% (2.15% and 2.17% at June 30, 2021 and 2020, respectively), with a maturity date of December 8, 2020.	-	32,501
Variable rate term loan for the Organization's Pasco County facility. Installment payments of \$1,667 plus accrued interest are due monthly. The monthly payments include interest at the LIBOR daily floating rate plus 2% (2.15% and 2.17% at June 30, 2020 and 2019, respectively), with a maturity date of July 5, 2020.	-	26,667
Variable rate term loan for the construction and expansion of the Organization's Leon County facility. Monthly installment payments of \$9,322 plus accrued interest at the 30-day LIBOR plus 1.75% (1.83% and 1.92% at June 30, 2021 and 2020, respectively), with a maturity date of November 8, 2022. Paid in full during 2021.	-	270,339
Total notes payable	7,206,039	7,319,189
Less current portion	(360,970)	(468,643)
Less loan costs	(94,503)	(94,503)
Notes payable, long-term	\$ 6,750,566	\$ 6,756,043

Scheduled aggregate principal payments on the notes payable are as follows as of:

<i>June 30,</i>	2021
2022	\$ 360,970
2023	377,989
2024	2,988,721
2025	194,872
2026	203,337
Thereafter	3,080,150
Total notes payable	\$ 7,206,039

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**6. Notes Payable (continued)**

The notes require the Organization to comply with certain covenants and reporting requirements. The Organization was in compliance with those covenants as of and for the years ended June 30, 2021 and 2020.

The Organization has a revolving line of credit with a maximum borrowing limit of \$500,000. The line of credit bears interest at a rate of the 1-month LIBOR rate (with a floor of 1.25%) plus 3.50% (4.75% at June 30, 2021) and matures on November 30, 2021. There were no amounts outstanding on the line of credit at June 30, 2021 and 2020.

**7. SBA PPP Note**

On May 12, 2021, the Organization was granted a loan in the aggregate amount of \$4,000,000, pursuant to the Paycheck Protection Program (PPP) established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The PPP loan is evidenced by a promissory note bearing interest at 1% per annum, with payments due beginning ten months from the date of the note and maturing in May 2026. The note is unsecured and is guaranteed by the U.S. Small Business Administration (SBA). Under the terms of the loan, certain amounts may be forgiven if they are used for qualifying expenses, as described in the CARES Act. Qualifying expenses include payroll costs, continuation of health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. Therefore, the full amount of the note was recognized as income in grants - other in the consolidated statement of activities for the year ended June 30, 2021.

**8. Lease Commitments**

The Organization generally leases its facilities under long-term operating leases, which range from one to eight years. In addition, certain facilities are leased for nominal rent for which the Organization has recorded in-kind contributions and rental expense based upon management's estimate of the fair market value of rent. The following is a summary of rental expenses:

<i>Years ended June 30,</i>	2021	2020
Rent based upon lease terms	\$ 1,425,315	\$ 1,651,418
In-kind contributions	66,503	66,503
Total	\$ 1,491,818	\$ 1,717,921

In addition, the Organization leases various office equipment and vehicles under non-cancelable operating leases expiring at various dates through February 2024. Lease expense under these operating leases was \$342,916 and \$354,304 for the years ended June 30, 2021 and 2020, respectively.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**8. Lease Commitments (continued)**

Under the terms of all non-cancelable operating leases, the scheduled aggregate minimum lease payments as of June 30, 2021 were as follows:

2022	\$	1,317,128
2023		1,194,552
2024		845,397
2025		580,599
2026		457,415
Thereafter		827,686
<b>Total</b>	<b>\$</b>	<b>5,222,777</b>

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**9. In-Kind Contributions**

The following is a summary of in-kind contributions which are recorded as revenue and related expenses in the consolidated financial statements for the years ended June 30:

<i>Years ended June 30,</i>	2021	2020
Student costs	\$ 47,001	\$ 147,428
Special events	38,833	111,929
Occupancy	66,503	66,503
Other	71,043	11,625
<b>Total</b>	<b>\$ 223,380</b>	<b>\$ 337,485</b>

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The in-kind expenses are presented according to the referenced expense items in the consolidated statements of functional expenses.

**10. Net Assets with Donor Restrictions**

Net assets with donor restrictions are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Remaining net assets with donor restrictions were restricted for the following purposes:

<i>Years ended June 30,</i>	2021	2020
Program services	\$ 773,861	\$ 847,220
Therapist services	384,872	429,492
Capital campaign	1,225,161	509,153
Time restrictions: pledge funds	560,972	929,360
Grants, student support and other	473,854	241,813
Scholarships	203,030	222,348
Transition services	109,935	92,272
<b>Total</b>	<b>\$ 3,731,685</b>	<b>\$ 3,271,658</b>

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**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**11. Liquidity and Availability**

At June 30, 2021 and 2020, the Organization has the following amounts available to cover general expenditures:

<i>Years ended June 30,</i>	2021	2020
Total cash and investments	\$ 14,958,441	\$ 9,366,521
Restricted funds	3,731,685	3,271,658
Net financial assets available to meet cash needs for general expenditures within one year	\$ 11,226,756	\$ 6,094,863

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions that are designated for activities related to ongoing, major, and central operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a standard operating procedure to maintain current financial assets less current liabilities at a minimum of three months of expenses. The Organization forecasts its future cash flows and monitors its liquidity quarterly and its reserves annually. During the years ended June 30, 2021 and 2020, the level of liquidity and reserves was managed within these requirements.

The Organization has availability of \$500,000 on its revolving line of credit as of June 30, 2021 and 2020.

**12. Employee Benefit Plan**

Effective July 1, 1994, the Organization established a defined contribution benefit plan (the “Plan”) in which all qualified employees 18 years of age may participate. The Plan provides for participants’ pre-tax contributions to the Plan pursuant to Section 403(b) of the Internal Revenue Code. The Organization may make a discretionary contribution to the Plan. The Organization’s contribution to the Plan was \$396,925 and \$389,129, for the years ended June 30, 2021 and 2020, respectively.

**13. Funding Dependency**

A substantial amount of the Organization’s support is in the form of annual grants and contracts with federal, state, and local government agencies, including a substantial amount from the Florida Department of Juvenile Justice (“DJJ”). This support is partially dependent upon the Organization’s continued qualifications for such funding, together with the amount of funds available to the governmental sources. Revenue and support from the DJJ accounted for approximately 46% and 49% of total revenue and support of the Organization for the years ended June 30, 2021 and 2020, respectively. Amounts receivable from the DJJ accounted for approximately 59% and 41% of total contracts and grants receivable of the Organization as of June 30, 2021 and 2020, respectively.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**  
**June 30, 2021 and 2020**

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**13. Funding Dependency (continued)**

In addition, the DJJ holds a security interest in all property and equipment acquired with DJJ funding until completion or termination of the related contracts. Property and equipment acquired with DJJ funding, with a net book value of \$2,500,000 and \$717,815 at June 30, 2021 and 2020, respectively, is included in property and equipment on the accompanying consolidated statements of financial position.

**14. Commitments and Contingencies**

The Organization is subject to audit examinations by funding sources to determine compliance with grant conditions. In the event the expenditures would be disallowed, repayment could be required. Management does not believe any disallowed expenditures would have a material impact on the consolidated financial statements.

The Organization is subject to various legal actions and claims arising in the normal course of operations. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance. It is the opinion of management that the outcome of such matters will not have a material adverse impact on the consolidated financial position, changes in net assets, or cash flows of the Organization.

**15. Subsequent Events**

Events occurring after June 30, 2021, the date of the most recent financial statements, have been evaluated for possible adjustments to the financial statements or disclosures through September 23, 2021, which is the date the financial statements were available to be issued.



## Supplementary Information

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**Pace Center for Girls, Inc. and Affiliates**  
**Consolidating Statement of Financial Position**  
**June 30, 2021**

	PACE Center for Girls, Inc.	PACE Alachua -THC, Inc.	PACE Broward -THC, Inc.	PACE Collier at Immokalee -THC, Inc.	Pace-THC, Inc.	Eliminations	Total
<b>Assets</b>							
<b>Current Assets</b>							
Cash and cash equivalents	\$ 6,858,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,858,834
Investments	8,099,607	-	-	-	-	-	8,099,607
Contracts and grants receivable	3,427,416	-	-	-	-	-	3,427,416
Pledges receivable - current (net of reserves of \$47,519)	254,918	-	-	-	-	-	254,918
Due from affiliated entities	-	-	1,342,110	-	-	(1,342,110)	-
Prepaid expenses and other assets	1,452,514	-	-	-	-	-	1,452,514
<b>Total current assets</b>	<b>20,093,289</b>	<b>-</b>	<b>1,342,110</b>	<b>-</b>	<b>-</b>	<b>(1,342,110)</b>	<b>20,093,289</b>
<b>Noncurrent assets</b>							
Pledges receivable - long-term (net of reserves and discounts of \$57,014)	306,054	-	-	-	-	-	306,054
Property and equipment, net	10,442,737	629,885	3,420,445	3,187,883	4,118,081	-	21,799,031
<b>Total noncurrent assets</b>	<b>10,748,791</b>	<b>629,885</b>	<b>3,420,445</b>	<b>3,187,883</b>	<b>4,118,081</b>	<b>-</b>	<b>22,105,085</b>
<b>Total Assets</b>	<b>\$ 30,842,080</b>	<b>\$ 629,885</b>	<b>\$ 4,762,555</b>	<b>\$ 3,187,883</b>	<b>\$ 4,118,081</b>	<b>\$ (1,342,110)</b>	<b>\$ 42,198,374</b>

See independent auditors' report.

**Pace Center for Girls, Inc. and Affiliates**  
**Consolidating Statement of Financial Position**  
**June 30, 2021**

	PACE Center for Girls, Inc.	PACE Alachua -THC, Inc.	PACE Broward -THC, Inc.	PACE Collier at Immokalee -THC, Inc.	Pace-THC, Inc.	Eliminations	Total
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities</b>							
Notes payable - current	\$ 93,587	\$ 17,833	\$ 227,572	\$ -	\$ 21,978	\$ -	\$ 360,970
Accounts payable and accrued expenses	955,021	-	-	-	-	-	955,021
Accrued payroll liabilities	5,130,664	-	-	-	-	-	5,130,664
Due to affiliated entities	175,829	163,695	-	112,064	890,522	(1,342,110)	-
Deferred revenue	66,286	-	-	-	-	-	66,286
<b>Total current liabilities</b>	<b>6,421,387</b>	<b>181,528</b>	<b>227,572</b>	<b>112,064</b>	<b>912,500</b>	<b>(1,342,110)</b>	<b>6,512,941</b>
<b>Noncurrent Liabilities</b>							
Notes payable, noncurrent, net of unamortized loan costs	1,412,744	282,687	3,940,229	-	1,114,906	-	6,750,566
Other liabilities	458,181	-	-	-	-	-	458,181
<b>Total noncurrent liabilities</b>	<b>1,870,925</b>	<b>282,687</b>	<b>3,940,229</b>	<b>-</b>	<b>1,114,906</b>	<b>-</b>	<b>7,208,747</b>
<b>Total Liabilities</b>	<b>8,292,312</b>	<b>464,215</b>	<b>4,167,801</b>	<b>112,064</b>	<b>2,027,406</b>	<b>(1,342,110)</b>	<b>13,721,688</b>
<b>Net Assets</b>							
Without donor restrictions	18,818,083	165,670	594,754	3,075,819	2,090,675	-	24,745,001
With donor restrictions	3,731,685	-	-	-	-	-	3,731,685
<b>Total net assets</b>	<b>22,549,768</b>	<b>165,670</b>	<b>594,754</b>	<b>3,075,819</b>	<b>2,090,675</b>	<b>-</b>	<b>28,476,686</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 30,842,080</b>	<b>\$ 629,885</b>	<b>\$ 4,762,555</b>	<b>\$ 3,187,883</b>	<b>\$ 4,118,081</b>	<b>\$ (1,342,110)</b>	<b>\$ 42,198,374</b>

See independent auditors' report.

**Pace Center for Girls, Inc. and Affiliates**  
**Consolidating Statement of Activities**  
For the Year Ended June 30, 2021

	PACE Center for Girls, Inc.	PACE Alachua -THC, Inc.	PACE Broward -THC, Inc.	PACE Collier at Immokalee -THC, Inc.	Pace-THC, Inc.	Eliminations	Total
<b>Unrestricted Support and Revenue</b>							
Public grants - Florida Department of Juvenile Justice	\$ 23,204,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,204,440
Public grants - School Boards	9,047,772	-	-	-	-	-	9,047,772
Grants - other	6,532,086	-	-	-	-	-	6,532,086
Contributions	3,766,764	-	-	-	-	-	3,766,764
In-kind contributions	223,380	-	-	-	-	-	223,380
Interest and dividend income	133,071	-	-	-	-	-	133,071
Net realized and unrealized gain on investments	1,297,823	-	-	-	-	-	1,297,823
Other	15,525	32,273	319,696	-	141,768	(493,737)	15,525
Net assets released from restriction	5,440,558	-	-	-	-	-	5,440,558
<b>Total unrestricted support and revenue</b>	<b>49,661,419</b>	<b>32,273</b>	<b>319,696</b>	<b>-</b>	<b>141,768</b>	<b>(493,737)</b>	<b>49,661,419</b>
<b>Expenses</b>							
Program services	37,394,107	33,161	225,818	101,546	118,389	(493,737)	37,379,284
Management and general	4,939,361	-	-	-	-	-	4,939,361
Fundraising	2,889,819	-	-	-	-	-	2,889,819
<b>Total expenses</b>	<b>45,223,287</b>	<b>33,161</b>	<b>225,818</b>	<b>101,546</b>	<b>118,389</b>	<b>(493,737)</b>	<b>45,208,464</b>
<b>Change in net assets without donor restrictions</b>	<b>4,438,132</b>	<b>(888)</b>	<b>93,878</b>	<b>(101,546)</b>	<b>23,379</b>	<b>-</b>	<b>4,452,955</b>

See independent auditors' report.

**Pace Center for Girls, Inc. and Affiliates**  
**Consolidating Statement of Activities**  
For the Year Ended June 30, 2021

	PACE Center for Girls, Inc.	PACE Alachua -THC, Inc.	PACE Broward -THC, Inc.	PACE Collier at Immokalee -THC, Inc.	Pace-THC, Inc.	Eliminations	Total
<b>Restricted Support and Revenue</b>							
Public grants - Florida Department of Juvenile Justice	-	-	-	-	-	-	-
Public grants - School Boards	-	-	-	-	-	-	-
Grants - other	197,636	-	-	-	-	-	197,636
Contributions	5,681,411	-	-	-	-	-	5,681,411
In-kind contributions	-	-	-	-	-	-	-
Interest and dividend income	21,538	-	-	-	-	-	21,538
Net realized and unrealized loss on investments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total restricted support and revenue</b>	<b>5,900,585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,900,585</b>
<b>Net assets released from restriction</b>	<b>(5,440,558)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,440,558)</b>
<b>Change in net assets with donor restrictions</b>	<b>460,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>460,027</b>
<b>Change in total net assets</b>	<b>4,898,159</b>	<b>(888)</b>	<b>93,878</b>	<b>(101,546)</b>	<b>23,379</b>	<b>-</b>	<b>4,912,982</b>
<b>Net assets, beginning of the year</b>	<b>17,651,609</b>	<b>166,558</b>	<b>500,876</b>	<b>3,177,365</b>	<b>2,067,296</b>	<b>-</b>	<b>23,563,704</b>
<b>Net assets, end of the year</b>	<b>\$ 22,549,768</b>	<b>\$ 165,670</b>	<b>\$ 594,754</b>	<b>\$ 3,075,819</b>	<b>\$ 2,090,675</b>	<b>\$ -</b>	<b>\$ 28,476,686</b>

See independent auditors' report.

## **State Single Audit Reporting**

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**Pace Center for Girls, Inc. and Affiliates**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended June 30, 2021**

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State Agency / Pass-Through Entity / State Project	CFSA Number	Contract/ Grant Number	State Expenditures
<b><u>STATE PROJECTS:</u></b>			
<b>FLORIDA DEPARTMENT OF JUVENILE JUSTICE</b>			
PACE Center for Girls - Prevention and Victim Services	80.007	X10051	\$ 21,578,714
PACE Center for Girls - Prevention and Victim Services - Clay Building	80.007	10669	\$ 1,625,726
<b>Total Expenditures of State Financial Assistance</b>			<b>\$ 23,204,440</b>

See notes to Schedule of Expenditures of State Financial Assistance.

**Pace Center for Girls, Inc. and Affiliates**  
**Notes to Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended June 30, 2021**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) includes the state grant activity of Pace Center for Girls, Inc. and Affiliates (the “Organization”) for the year ended June 30, 2021.

The information in the Schedule is presented in accordance with the requirements of *Chapter 10.650, Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not present the financial position, changes in net assets, or cash flows of the Organization.

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

**2. Pass-Through Awards**

The Organization received certain state awards from pass-through awards of the state. The total amount of such pass-through awards is included in the Schedule.

**3. Transfers to Subrecipients**

The Organization did not transfer any state financial assistance to other entities.

**4. Contingencies**

The programs shown in the Schedule are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowable expenditures and affect the Organization’s continued participation in specific programs. The amount of expenditures, if any, which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts to be immaterial, if any.

See independent auditors’ report.



**Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
In Accordance with *Government Auditing Standards***

To the Board of Trustees  
Pace Center for Girls, Inc. and Affiliates

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 consolidated financial statements of PACE Center for Girls, Inc. and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021 and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements (the "financial statements"), and have issued our report thereon dated September 23, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tampa, Florida  
September 23, 2021

**Independent Auditors' Report on Compliance for  
Each Major State Project and on Internal Control  
Over Compliance Required by *Chapter 10.650,*  
*Rules of the State of Florida Auditor General***

To the Board of Trustees  
Pace Center for Girls, Inc. and Affiliates

**Report on Compliance for Each Major State Project**

We have audited Pace Center for Girls, Inc. and Affiliates' (the "Organization") compliance with the types of compliance requirements described in the Executive Officer of the Florida Governor's State Project Compliance Supplement that could have a direct and material effect on each of the Organization's major state projects for the year ended June 30, 2021. The Organization's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with statutes, regulations, and the terms and conditions of its state awards applicable to its state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of *Chapter 10.650, Rules of the State of Florida Auditor General*. Those standards and *Chapter 10.650* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Organization's compliance.

### **Opinion on Each Major State Project**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with *Chapter 10.650*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Chapter 10.650*. Accordingly, this report is not suitable for any other purpose.

*Warren Averett, LLC*

Tampa, Florida  
September 23, 2021

**Pace Center for Girls, Inc. and Affiliates**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>
Significant deficiency(ies) identified?	Yes <input type="checkbox"/>	None Reported	<input checked="" type="checkbox"/>

Non-compliance material to financial statements noted? Yes  No

State Projects

Internal control over major state projects:

Material weakness(es) identified?	Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>
Significant deficiency(ies) identified?	Yes <input type="checkbox"/>	None Reported	<input checked="" type="checkbox"/>

Type of auditors' report issued on compliance for major state projects Unmodified

Any audit findings disclosed that are to be reported in accordance with *Chapter 10.650(1)(h)* of *Rules of the State of Florida Auditor General*? Yes  No

Identification of major state projects:

<u>CFSA Number</u>	<u>Name of State Project</u>
80.007	Practical and Cultural Education (Pace) Center for Girls - Prevention and Victim Services

Dollar threshold used to distinguish between Type A and Type B major state projects \$ 750,000

**Section II - Financial Statement Findings**

None

**Section III - State Project Findings and Questioned Costs**

None

See independent auditors' report.

**Pace Center for Girls, Inc. and Affiliates**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section IV - Other Issues**

There were no prior audit findings on compliance for each major program, or internal control over compliance, with the requirements described in *Chapter 10.650, Rules of the State of Florida Auditor General*.

No management letter is required because there were no findings required to be reported in the management letter.

See independent auditors' report.