



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

Consolidated Financial Statements, Reports
Required by *Government Auditing
Standards*, the Uniform Guidance, the
Florida Single Audit Act, and Schedule of
Expenditures of Financial Awards
For the Years Ended June 30, 2018 and 2017

PACE Center for Girls, Inc. and Affiliates

Consolidated Financial Statements, Reports Required by *Government Auditing Standards*, the Uniform Guidance, the Florida Single Audit Act, and Schedule of Expenditures of Financial Awards
Years Ended June 30, 2018 and 2017

PACE Center for Girls, Inc. and Affiliates
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Independent Auditor's Report

Board of Trustees
PACE Center for Girls, Inc. and Affiliates
Jacksonville, Florida

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 2018 and 2017, 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.

Auditor's 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 audit 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 auditor's 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 auditor considers internal control relevant to the Organization'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 Organization'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 consolidated financial position of the Organization as of June 30 2018 and 2017, 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

Supplementary Information and Other Financial Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position, activities, and cash flows on pages 28-39 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. The accompanying schedule of expenditures of financial awards on pages 47-49, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and State of Florida *Department of Financial Services*, Chapter 691-5, Florida Administrative Code, and are not a required part of the consolidated financial statements. The accompanying schedule of source and expenditure of city grant funds on pages 39-40, are presented for the purpose of additional analysis as required by City of Jacksonville, Florida Ordinance 118.205, and are not a required part of the consolidated financial statements. Such supplementary and other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The supplementary and other financial information have been subjected to the auditing procedures applied in the audits of the basic 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 basic consolidated financial statements or to the basic 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 October 2, 2018, on our consideration of 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 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 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.

BDO USA, LLP

Certified Public Accountants
October 2, 2018

Consolidated Financial Statements

PACE Center for Girls, Inc. and Affiliates
Consolidated Statements of Financial Position

<i>June 30,</i>	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,642,753	\$ 5,224,573
Investments	7,627,630	7,241,721
Contracts and grants receivable	5,231,420	4,287,330
Pledges receivable, current (net of reserves of \$29,816 and \$62,540)	238,593	180,000
Prepaid expenses and other assets	459,477	157,065
Total Current Assets	20,199,873	17,090,689
Noncurrent Assets		
Pledges receivable, long-term (net of reserves and discounts of \$110,947 and \$114,077)	355,549	328,334
Property and equipment, net	11,869,422	12,224,247
Total Noncurrent Assets	12,224,971	12,552,581
Total Assets	\$ 32,424,844	\$ 29,643,270
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 4,691,979	\$ 3,805,662
Deferred revenue	279,782	230,865
Lines of credit	836,494	769,926
Notes payable, current	130,855	134,941
Total Current Liabilities	5,939,110	4,941,394
Non-Current Liabilities		
Notes payable, non-current	1,527,293	1,655,569
Total Liabilities	7,466,403	6,596,963
Commitments and Contingencies		
Net Assets		
Unrestricted	19,599,117	18,593,496
Temporarily restricted	5,359,324	4,452,811
Total Net Assets	24,958,441	23,046,307
Total Liabilities and Net Assets	\$ 32,424,844	\$ 29,643,270

*See accompanying independent auditor's report and notes
to consolidated financial statements.*

PACE Center for Girls, Inc. and Affiliates
Consolidated Statement of Activities

<i>Year ended June 30, 2018</i>	Unrestricted	Temporarily Restricted	Total All Classes
Support and Revenue			
Public grants - DJJ	\$ 19,480,797	\$ -	\$ 19,480,797
Public grants - School Boards	7,710,503	-	7,710,503
Grants - other	1,101,432	1,468,783	2,570,215
Contributions	6,225,642	3,479,873	9,705,515
In-kind contributions	314,431	-	314,431
Special events	1,629,222	-	1,629,222
Interest and dividend income	193,544	22,297	215,841
Amortization of premiums on investments	(9,251)	-	(9,251)
Net realized and unrealized gain on investments	172,629	54,593	227,222
Other income	130,357	7,029	137,386
Total Support and Revenue	36,949,306	5,032,575	41,981,881
Net assets released from restrictions	4,126,062	(4,126,062)	-
Expenses			
Program services	32,145,835	-	32,145,835
Management and general	5,780,915	-	5,780,915
Fundraising	2,142,997	-	2,142,997
Total Expenses	40,069,747	-	40,069,747
Change in Net Assets	1,005,621	906,513	1,912,134
Net Assets, beginning of the year	\$ 18,593,496	4,452,811	23,046,307
Net Assets, end of the year	\$ 19,599,117	\$ 5,359,324	\$ 24,958,441

*See accompanying independent auditor's report and notes
to consolidated financial statements.*

PACE Center for Girls, Inc. and Affiliates
Consolidated Statement of Activities

<i>Year ended June 30, 2017</i>	Unrestricted	Temporarily Restricted	Total All Classes
Support and Revenue			
Public grants - DJJ	\$19,056,100	\$ -	\$19,056,100
Public grants - School Boards	7,592,456	-	7,592,456
Grants - other	2,865,304	3,842,116	6,707,420
Contributions	2,253,544	74,206	2,327,750
In-kind contributions	276,917	-	276,917
Special events	1,568,205	11,002	1,579,207
Interest and dividend income	130,249	66,862	197,111
Amortization of premiums on investments	(19,967)	-	(19,967)
Net realized and unrealized gain on investments	357,569	72,668	430,237
Other income	65,462	9,997	75,459
Total Support and Revenue	\$34,145,839	4,076,851	\$38,222,690
Net assets released from restrictions	3,983,301	(3,983,301)	-
Expenses			
Program services	30,796,745	-	30,796,745
Management and general	5,216,095	-	5,216,095
Fundraising	2,417,912	-	2,417,912
Total Expenses	38,430,752	-	38,430,752
Change in Net Assets	(301,612)	93,550	(208,062)
Net Assets, beginning of the year	18,895,108	4,359,261	23,254,369
Net Assets, end of the year	\$ 18,593,496	\$ 4,452,811	\$ 23,046,307

*See accompanying independent auditor's report and notes
to consolidated financial statements.*

PACE Center for Girls, Inc. and Affiliates
Consolidated Statements of Cash Flows

<i>Years ended June 30,</i>	2018	2017
Operating Activities		
Change in net assets:	\$ 1,912,134	\$ (208,062)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,244,713	1,160,750
Gain on disposal of equipment	(4,481)	-
Unrealized gain on investments	(144,002)	(508,988)
Bad debt expense on pledges receivable	90,334	141,618
Amortization of premiums on investments	9,251	19,967
Change in:		
Contracts and grants receivable	(944,090)	(1,705,298)
Pledges receivable	(176,142)	(41,174)
Prepaid expenses and other assets	(302,412)	351,514
Accounts payable and accrued expenses	886,317	643,409
Deferred revenue	48,917	117,114
Net cash provided by (used in) operating activities	2,620,539	(29,150)
Investing Activities		
Proceeds from sale of investments	185,456	1,520,374
Purchases of land, buildings, and equipment	(885,407)	(1,935,710)
Purchases of investments	(436,614)	(1,585,292)
Net cash used in in investing activities	(1,136,565)	(2,000,628)
Financing Activities		
Proceeds from lines of credit	492,427	769,926
Proceeds from notes payable	-	1,200,000
Principal repayments of lines of credit	(425,859)	(548,192)
Principal repayments of notes payable	(132,362)	-
Net cash (used in) provided by financing activities	(65,794)	1,421,734
Net Increase (Decrease) in Cash	1,418,180	(608,044)
Cash and Cash Equivalents, beginning of the year	5,224,573	5,832,617
Cash and Cash Equivalents, end of the year	\$ 6,642,753	\$ 5,224,573
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest expense	\$ 103,640	\$ 43,891
Non-Cash Event		
Line of credit transfer to notes payable	\$ -	\$ 285,661

See accompanying independent auditor's report and notes to consolidated financial statements.

PACE Center for Girls, Inc. and Affiliates
Consolidated Statement of Functional Expenses

<i>Year ended June 30, 2018</i>	Program Services	Management and General	Fundraising	Total All Classes
Salaries	\$ 18,235,462	\$ 3,035,330	\$ 879,988	\$ 22,150,780
Payroll taxes & employee benefits	4,237,903	304,625	211,980	4,754,508
Employee training & recruiting	220,944	397,232	18,626	636,802
Contracted personnel	577,951	44,250	106,500	728,701
Total Personnel	23,272,260	3,781,437	1,217,094	28,270,791
Occupancy	2,470,944	319,818	-	2,790,762
Telecommunication	748,485	437,353	-	1,185,838
Equipment	882,182	318,049	25,224	1,225,455
Vehicle	431,602	90,862	-	522,464
Insurance costs	93,965	90,528	1,000	185,493
Professional fees	135,262	337,823	84,344	557,429
Materials & supplies	240,172	26,042	24,273	290,487
Outreach and community engagement	181,794	47,711	29,917	259,422
Marketing and communications	-	105,522	3,662	109,184
Student costs	1,578,432	6,079	1,075	1,585,586
Travel	869,844	-	33,825	903,669
Special events	1,867	-	596,780	598,647
Depreciation & amortization	1,045,067	199,646	-	1,244,713
Uncollectible accounts	-	-	90,334	90,334
Interest	103,640	-	-	103,640
Other	90,319	20,045	35,469	145,833
Total Expenses	\$ 32,145,835	\$ 5,780,915	\$ 2,142,997	\$ 40,069,747

*See accompanying independent auditor's report and notes
to consolidated financial statements.*

PACE Center for Girls, Inc. and Affiliates
Consolidated Statement of Functional Expenses

<i>Year ended June 30, 2017</i>	Program Services	Management and General	Fundraising	Total All Classes
Salaries	\$ 17,409,304	\$ 2,574,082	\$ 1,106,427	\$ 21,089,813
Payroll taxes & employee benefits	4,039,543	381,175	218,998	4,639,716
Employee training & recruiting	238,373	373,558	34,559	646,490
Contracted personnel	584,895	63,957	52,900	701,752
Total Personnel	22,272,115	3,392,772	1,412,884	27,077,771
Occupancy	2,742,422	238,218	1,078	2,981,718
Telecommunication	705,430	319,325	665	1,025,420
Equipment	618,189	440,531	85,173	1,143,893
Vehicle	297,910	64,470	2,050	364,430
Insurance	93,949	66,905	-	160,854
Professional fees	242,467	378,704	52,778	673,949
Materials & supplies	165,191	30,958	30,064	226,213
Outreach & public education	147,937	19,168	64,416	231,521
Student costs	1,549,471	13,296	124,297	1,687,064
Travel	827,934	3,940	66,923	898,797
Special events	1,552	912	401,181	403,645
Depreciation & amortization	939,304	221,446	-	1,160,750
Uncollectible accounts	-	-	141,618	141,618
Interest	43,891	-	-	43,891
Other	148,983	25,450	34,785	209,218
Total Expenses	\$ 30,796,745	\$ 5,216,095	\$ 2,417,912	\$ 38,430,752

*See accompanying independent auditor's report and notes
to consolidated financial statements.*

PACE Center for Girls, Inc. and Affiliates

Notes to Consolidated Financial Statements

1. Nature of Organization

PACE Center for Girls, Inc. ("PACE") is a private not-for-profit organization incorporated under the laws of the State of Florida in 1985. PACE is a prevention and early intervention organization established to provide girls and young women an opportunity for a better future through education, counseling, training, and advocacy. PACE provides its services through non-residential, community-based PACE Centers established to educate, counsel, train, and advocate for girls in a gender-responsive environment where such services are needed. PACE currently operates in the counties of Alachua, Broward, 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.

PACE-THC, Inc. ("PACE-THC") is an affiliated not-for-profit organization incorporated under the laws of the State of Florida in 1995. Its purpose is to hold title to property in Duval, Manatee, and Escambia counties 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 BROWARD-THC, Inc. ("PACE BROWARD-THC") is an affiliated not-for-profit organization incorporated under the laws of the State of Florida in 2001. Its purpose is to hold title to property in Broward county 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 COLLIER AT IMMOKALEE-THC, Inc. ("PACE COLLIER AT IMMOKALEE-THC") is an affiliated not-for-profit organization incorporated under the laws of the State of Florida in 2006. Its purpose is to hold title to property in Collier and Lee counties 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 ALACHUA-THC, Inc. ("PACE ALACHUA-THC") is an affiliated not-for-profit organization incorporated under the laws of the State of Florida in 2009. Its purpose is to hold title to property in Alachua county 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 as the "Organization".

2. Summary of Significant Accounting Policies

Basis of Accounting

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.

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." PACE-THC, PACE BROWARD-THC, PACE COLLIER AT IMMOKALEE-THC, and PACE ALACHUA-THC provide financial and other support services to PACE. All significant intercompany accounts and transactions have been eliminated.

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates

Notes to Consolidated Financial Statements

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 disclosures of contingent asset 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.

Liquidity

Assets are presented in the accompanying consolidated statements of financial position according to their nearness of conversion to cash and liabilities according to their nearness of maturity and resulting use of cash.

Net Assets

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent expendable funds available for operations, which are not otherwise limited by donor restrictions.

Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds.

Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund current operations.

Cash and Cash Equivalents

For purposes of the Consolidated Statements of Financial Position and the Consolidated Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are stated at fair value based on quoted market prices. If the purchase price of U.S. Government Treasury Notes and U.S. Government-backed Mortgage-backed 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

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates
Notes to Consolidated Financial Statements

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 was zero at 2018 and 2017. The Organization does not charge interest on past due contracts or grant receivables.

Pledges

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. Computers, equipment, leasehold improvements, land, buildings, and furniture in excess of \$2,500 are capitalized. Depreciation is computed using the straight-line method over the useful lives of the related assets. Leasehold improvements are amortized over their estimated useful lives, which do not exceed the related lease terms, using the straight-line method. The estimated useful lives are as follows:

	Years
Buildings	20
Leasehold improvements	5 - 20
Furniture and equipment	3 - 7
Vehicles	5

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, 2018 and 2017.

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates

Notes to Consolidated Financial Statements

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (this is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

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 the 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 during 2018 and 2017.

A substantial number of unpaid volunteers have made significant contributions of their time to the Organization. No amounts have been reflected in the consolidated financial statements for services since the contribution of these services did not create or enhance non-financial assets or require specialized skills.

Public Grants and Grants - Other

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

Special Events

Special events revenue is recognized when events take place. The Organization considers special events to be ongoing major activities, therefore the gross revenue is reported on the Consolidated Statements of Activities. Expenses related to the special events are reported on the Consolidated Statement 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 ("IRC"). PACE-THC, PACE BROWARD-THC, PACE COLLIER AT IMMOKALEE-THC, and PACE

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates

Notes to Consolidated Financial Statements

ALACHUA-THC are private not-for-profit corporations as described in Section 501(c) (2) of the IRC. As such, all will be exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC and Chapter 220.13 of the Florida Statutes, respectively.

The Organization files informational returns for the fiscal year end of as June 30 of each year. As required by taxing authorities the Organization filed the last information returns for the fiscal year ending June 30, 2017. 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 on examination by taxing authorities. The Organization has analyzed the tax positions taken and has concluded that as of June 30, 2018, 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.

The Organization has determined that there are no uncertain tax positions that require recognition or disclosure in the accompanying consolidated financial statements. Tax years that remain subject to examination by major tax jurisdictions are 2015 and forward. The Organization has no examinations in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax liabilities will significantly change in the next twelve months.

Functional Expense Allocation

The consolidated costs of providing program, management, and fundraising 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 benefited.

Accounting Pronouncements Not Yet Adopted

Financial Statement Presentation

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Organization's consolidated financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are

See accompanying independent auditor's report.

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available for periods prior to adoption. Management is currently evaluating the impact of this ASU on the Organization's consolidated financial statements.

Revenue

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that an entity should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. This update is effective for fiscal years beginning after December 15, 2018 and interim periods within annual reporting periods beginning after December 15, 2019. Management is evaluating the impact of this ASU on the Organization's financial reporting.

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. The standard is effective fiscal years beginning after December 15, 2019. Management is evaluating the impact of this ASU on the Organization's financial reporting.

Reclassifications

Certain amounts at June 30, 2017 have been reclassified to conform to the presentation at June 30, 2018. The Organization changed the presentation of certain expenses which were previously classified as management and general to program services in order to better reflect the Organization's functional activities. This change has also been reflected in the summarized comparative financial statements for the year ended June 30, 2017. This change resulted in an increase in program service expenses and decrease in management and general expenses of approximately \$1.8 million for the year ended June 30, 2017.

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3. Pledges Receivable

Pledges receivable are comprised of unconditional promises to give with collection periods through June 30, 2022. 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 ending June 30,</i>	2018	2017
Receivable in less than one year	\$ 268,409	\$ 242,540
Receivable in one to five years	466,496	442,411
	734,905	684,951
Less: discounts to net present value	(59,126)	(55,155)
Less: allowance for doubtful accounts	(81,637)	(121,462)
Net pledges receivable	\$ 594,142	\$ 508,334

4. Investments

Investments are summarized as follows:

<i>June 30,</i>	2018	2017
Mutual funds	\$ 4,462,856	\$ 4,083,667
U.S Government-backed mortgage-backed securities	2,291,917	1,845,217
U.S. Government treasury notes	668,476	880,050
Short-term federated government obligations	204,083	430,557
Other short-term investments	298	2,230
Total	\$ 7,627,630	\$ 7,241,721

All investments are classified as current assets in the accompanying consolidated financial statements. These assets are, by nature, liquid and can be redeemed at any time without penalty.

5. Fair Value Measurements

The Organization applies generally accepted accounting principles for fair value measurements of financial assets and liabilities. 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

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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.

As of June 30, 2018, the fair value of the Organization's financial instruments including cash, contract and grants receivable, prepaid expenses and other assets, accounts payable, accrued expenses, deferred revenue, and lines of credit approximated book value due to the short maturity of these instruments. The fair value of the notes payable are determined using current applicable rates for similar instruments as of the balance sheet date and approximate the carry value of such debt. Pledges receivable are stated at the carrying value of the net present value of the expected cash receipts.

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, 2018:

	Level 1	Level 2	Level 3	Total
Mutual Funds - Equity	\$ 3,765,388	\$ -	\$ -	\$ 3,765,388
U.S. Government Obligations	3,164,475	-	-	3,164,475
Mutual Funds - Diversifying	282,725	-	-	282,725
Mutual Funds - Fixed Income	262,764	-	-	262,764
Mutual Funds - Other	151,980	-	-	151,980
Other	298	-	-	298
Total	\$ 7,627,630	\$ -	\$ -	\$ 7,627,630

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 June 30, 2017:

	Level 1	Level 2	Level 3	Total
Mutual Funds - Equity	\$ 3,466,492	\$ -	\$ -	\$ 3,466,492
U.S. Government Obligations	2,774,225	381,599	-	3,155,824
Mutual Funds - Diversifying	223,777	-	-	223,777
Mutual Funds - Fixed Income	264,815	-	-	264,815
Mutual Funds - Other	128,583	-	-	128,583
Other	2,230	-	-	2,230
Total	\$ 6,860,122	\$ 381,599	\$ -	\$ 7,241,721

There were no transfers between Level 1, Level 2, or Level 3 investments.

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6. Property and Equipment

Property and equipment consist of the following:

<i>June 30,</i>	2018	2017
Buildings	\$ 15,704,071	\$ 16,238,421
Land	2,479,516	1,915,578
Furniture and equipment	2,161,649	1,999,587
Leasehold improvements	1,730,106	1,031,920
Vehicles	515,355	550,548
	22,590,697	21,736,054
Less: Accumulated depreciation and amortization	(10,721,275)	(9,511,807)
	\$ 11,869,422	\$ 12,224,247

7. Notes Payable

Notes payable consisted of the following at June 30:

	2018	2017
Mortgage payable dated April 21, 2017, for the Organization's Leon County facility. Interest only monthly payments are due through April 21, 2018. Monthly payments of \$6,164 include 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 \$1,563,452.	\$ 1,196,917	\$ 1,200,000
Unsecured promissory note payable dated June 5, 2015 for the improvement of the Organization's Clay County facility. Monthly principal payments of \$5,417 plus accrued interest at the LIBOR Daily Floating Rate as of the statement date plus 2% (4.08% and 3.09% at June 30, 2018 and 2017), with a maturity date of December 8, 2020.	162,500	227,500
Unsecured note payable dated July 5, 2016 for the improvement of the Organization's Manatee County facility. Monthly installment payments of \$3,000 are applied first to the payment of interest accrued with the balance applied to principal. The monthly payments include interest at the LIBOR rate plus 2% (4.08% and 3.08% at June 30, 2018 and 2017), with a maturity date of July 5, 2020.	232,064	259,484
Unsecured promissory note payable dated July 5, 2016 for the improvement of the Organization's Pasco County facility. Monthly principal payments of \$1,667 plus accrued interest at the LIBOR Daily Floating Rate as of the statement date plus 2% (4.08% and 3.21% at June 30, 2018 and 2017), with a maturity date of December 8, 2020.	66,667	86,667

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	2018	2017
Mortgage payable dated November 27, 2007, for the Organization's Manatee County facility. Monthly principal payments of \$2,865 included interest at the bank's index rate plus 1.82% (6.61% for June 30, 2017), matured on November 27, 2017. The note was secured by the land and building of PACE-THC with a net book value of \$227,515.	\$ -	\$ 16,859
Total notes payable	1,658,148	1,790,510
Less: notes payable, current	(130,855)	(134,941)
Notes payable, long-term	\$ 1,527,293	\$ 1,655,569

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

2019	\$	130,855
2020		310,259
2021		73,489
2022		28,645
2023		23,013
Thereafter		1,091,887
Total notes payable		\$ 1,658,148

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 end June 2018 and 2017.

8. Lines of Credit

The Organization has a master Loan Agreement with Bank of America, N.A. (the "BOA Agreement") dated December 8, 2014. The BOA Agreement allows for four lines of credit which are convertible to promissory notes upon drawing funds on the individual lines.

A line of credit is available for working capital needs and allows for maximum borrowings of \$500,000 and is unsecured. Outstanding amounts on this line of credit are payable in monthly interest only payments, and the outstanding principal is due on November 30, 2018, the maturity date. The balance outstanding as of June 30, 2018 and 2017 is \$342,426 and \$0, respectively. The amount available for use as of June 30, 2018 and 2017 is \$157,574 and \$500,000, respectively.

An additional line of credit in the amount of \$550,000 is available for the construction and expansion of the Leon County facility. The balance outstanding as of June 30, 2018 and 2017 was \$494,068 and \$400,000, respectively. The line of credit matures on November 8, 2022. The amount available for use as of June 30, 2018 and 2017 is \$55,932 and \$150,000, respectively.

The BOA Agreement carries an interest rate of the LIBOR Daily Floating Rate plus 2% (4.083% and 3.075% at June 30, 2018 and 2017, respectively), for all borrowings. The Agreement contains various restrictions including, but not limited to, maintenance of liquid, unrestricted, unencumbered net

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assets of not less than \$3,500,000. As of June 30, 2018 and 2017, the Organization was in compliance with the required covenants.

The Organization had an unsecured Commercial Draw Note dated June 21, 2016, with Fifth Third Bank which, subject to the Lenders discretion, allows for maximum borrowings of \$3,500,000. The Organization paid this line of credit in full at June 30, 2018. The balance outstanding as of June 30, 2018 and 2017 was \$0 and \$369,926, respectively.

9. 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>	2018	2017
Rent based upon lease terms	\$ 1,931,823	\$ 2,326,831
In-kind contributions	66,503	66,503
Total	\$ 1,998,326	\$ 2,393,334

The Organization leases various office equipment under non-cancelable operating leases expiring at various dates from December 2018 to July 2021. Lease expense under these operating leases was \$60,288 and \$77,807, for the years ended June 30, 2018 and 2017, respectively.

The Organization leases various vehicles under non-cancelable operating leases expiring at various dates from December 2018 to June 2023. Lease expense under these operating leases was \$188,211 and \$158,673, for the years ended June 30, 2018 and 2017, respectively.

Future minimum lease payments under non-cancelable leases with initial or remaining lease terms in excess of one year consisted of the following:

<i>Year ended June 30, 2018</i>	
2019	\$ 1,878,969
2020	1,337,998
2021	1,061,133
2022	344,731
2023	124,649
Total	\$ 4,747,480

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PACE Center for Girls, Inc. and Affiliates
Notes to Consolidated Financial Statements

10. In-Kind Donations

The following is a summary of in-kind donations which are recorded as related expenses in the consolidated financial statements for the year ended June 30, 2018:

	Expenses
Special events	\$ 85,383
Student costs	162,545
Occupancy	66,503
Total	\$ 314,431

The following is a summary of in-kind donations which are recorded as related expenses in the consolidated financial statements for the year ended June 30, 2017:

	Expenses
Special events	\$ 126,995
Student costs	83,421
Occupancy	66,503
Total	\$ 276,919

The in-kind expenses are presented according to the referenced expensed items in the Consolidated Statements of Functional Expenses.

11. Temporarily Restricted Net Assets

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

<i>Years ending June 30,</i>	2018	2017
Program Services	\$ 3,227,451	\$ 1,355,706
Grants, student support, and other	462,499	1,825,356
Capital campaign	260,757	343,932
Time Restrictions: Pledge funds	78,187	160,983
Therapist services	61,944	130,501
Transition services	22,087	132,944
Scholarships	13,137	27,788
Georgia expansion fund	-	6,091
Total	\$ 4,126,062	\$ 3,983,301

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Temporarily restricted net assets were available for the following purposes:

<i>Years ending June 30,</i>	2018	2017
Program Services	\$ 2,283,944	\$ 409,796
Capital campaign	1,608,314	2,285,987
Time Restrictions: Pledge funds	594,142	508,334
Grants, student support, and other	313,319	790,235
Therapist services	194,722	101,941
Scholarships	147,721	157,369
Georgia expansion fund	145,909	145,909
Transition services	71,253	53,240
Total	\$ 5,359,324	\$ 4,452,811

12. Employee Benefit Plan

Effective July 1, 1992, 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 IRC. The Organization may make a discretionary contribution to the Plan in an amount up to 3% of a participant's compensation. The Organization's contribution to the Plan was \$300,324 and \$270,507, for the years ended June 30, 2018 and 2017, 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 50% of total revenue and support of the Organization for the years ended June 30, 2018 and 2017, respectively. Amounts receivable from the DJJ accounted for approximately 66% and 64% of total contracts and grants receivable of the Organization as of June 30, 2018 and 2017, respectively.

In addition, title to all property and equipment acquired with DJJ funding vests with DJJ upon completion or termination of the related contracts. Property and equipment vested with the DJJ, with a net book value of \$43,363 and \$60,555 at June 30, 2018 and 2017, respectively, is included in property and equipment, net 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

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PACE Center for Girls, Inc. and Affiliates

Notes to Consolidated Financial Statements

matters will not have a material adverse impact on the consolidated financial position, changes in net assets, or cash flows of the Organization.

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.

15. Subsequent Events

Events occurring after June 30, 2018, the date of the most recent financial statements, have been evaluated for possible adjustments to the financial statements or disclosures through October 2, 2018, which is the date the financial statements were available to be issued. On July 6, 2018, PACE purchased a building in Jacksonville, FL for a purchase price of \$1,735,000 to serve as its national headquarters location. Moving the national headquarters from the currently leased space to the purchased building will result in lease savings approximating \$225,000. No other material subsequent events have occurred through that date that require recognition or disclosure in the financial statements.

See accompanying independent auditor's report.

Supplementary Information

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Financial Position

<i>June 30, 2018</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ 6,595,642	\$ 8,417	\$ -	\$ 16,227	\$ 22,467	\$ -	\$ 6,642,753
Investments	7,627,630	-	-	-	-	-	7,627,630
Contracts and grants receivable	5,231,420	-	-	-	-	-	5,231,420
Pledges receivable, current (net of reserves of \$29,816)	238,593	-	-	-	-	-	238,593
Due from affiliated entities	1,546,043	-	-	-	-	(1,546,043)	-
Prepaid expenses and other assets	459,477	-	-	-	-	-	459,477
Total Current Assets	21,698,805	8,417	-	16,227	22,467	(1,546,043)	20,199,873
Noncurrent Assets							
Pledges receivable, long-term (net of reserves and discounts of \$110,947)	355,549	-	-	-	-	-	355,549
Property and equipment, net	2,273,145	691,787	1,114,746	3,726,908	4,062,836	-	11,869,422
Total Noncurrent Assets	2,628,694	691,787	1,114,746	3,726,908	4,062,836	-	12,224,971
Total Assets	\$ 24,327,499	\$ 700,204	\$ 1,114,746	\$ 3,743,135	\$ 4,085,303	\$ (1,546,043)	\$ 32,424,844

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Financial Position (Continued)

<i>June 30, 2018</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Liabilities and Net Assets							
Current Liabilities							
Accounts payable and accrued expenses	\$ 4,691,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,691,979
Due to affiliated entities	8,633	529,904	387,785	128,354	491,367	(1,546,043)	-
Deferred revenue	279,782	-	-	-	-	-	279,782
Lines of credit	836,494	-	-	-	-	-	836,494
Notes payable, current	111,707	-	-	-	19,148	-	130,855
Total Current Liabilities	5,928,595	529,904	387,785	128,354	510,515	(1,546,043)	5,939,110
Non-Current Liabilities							
Notes payable, non-current	349,524	-	-	-	1,177,769	-	1,527,293
Total Liabilities	6,278,119	529,904	387,785	128,354	1,688,284	(1,546,043)	7,466,403
Net Assets							
Unrestricted	12,690,056	170,300	726,961	3,614,781	2,397,019	-	19,599,117
Temporarily restricted	5,359,324	-	-	-	-	-	5,359,324
Total Net Assets	18,049,380	170,300	726,961	3,614,781	2,397,019	-	24,958,441
Total Liabilities and Net Assets	\$ 24,327,499	\$ 700,204	\$ 1,114,746	\$ 3,743,135	\$ 4,085,303	\$ (1,546,043)	\$ 32,424,844

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PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Financial Position

<i>June 30, 2017</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ 5,187,281	\$ 8,400	\$ -	\$ 15,082	\$ 13,810	\$ -	\$ 5,224,573
Investments	7,241,721	-	-	-	-	-	7,241,721
Contracts and grants receivable	4,287,330	-	-	-	-	-	4,287,330
Pledges receivable, current (net of reserves of \$62,540)	180,000	-	-	-	-	-	180,000
Due from affiliated entities	1,610,785	-	-	-	-	(1,610,785)	-
Prepaid expenses and other assets	157,065	-	-	-	-	-	157,065
Total Current Assets	18,664,182	8,400	-	15,082	13,810	(1,610,785)	17,090,689
Noncurrent Assets							
Pledges receivable, long-term (net of reserves and discounts of \$114,077)	328,334	-	-	-	-	-	328,334
Property and equipment, net	1,893,017	717,960	1,248,358	4,063,481	4,301,431	-	12,224,247
Total Noncurrent Assets	2,221,351	717,960	1,248,358	4,063,481	4,301,431	-	12,552,581
Total Assets	\$ 20,885,533	\$ 726,360	\$ 1,248,358	\$ 4,078,563	\$ 4,315,241	\$ (1,610,785)	\$ 29,643,270

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Financial Position (Continued)

<i>June 30, 2017</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Liabilities and Net Assets							
Current Liabilities							
Accounts payable and accrued expenses	\$ 3,805,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,805,662
Due to affiliated entities	-	571,232	387,785	127,267	524,501	(1,610,785)	-
Deferred revenue	230,865	-	-	-	-	-	230,865
Lines of credit	769,926	-	-	-	-	-	769,926
Notes payable, current	115,000	-	-	-	19,941	-	134,941
Total Current Liabilities	4,921,453	571,232	387,785	127,267	544,442	(1,610,785)	4,941,394
Non-Current Liabilities							
Notes payable, non-current	458,651	-	-	-	1,196,918	-	1,655,569
Total Liabilities	5,380,104	571,232	387,785	127,267	1,741,360	(1,610,785)	6,596,963
Net Assets							
Unrestricted	11,052,618	155,128	860,573	3,951,296	2,573,881	-	18,593,496
Temporarily restricted	4,452,811	-	-	-	-	-	4,452,811
Total Net Assets	15,505,429	155,128	860,573	3,951,296	2,573,881	-	23,046,307
Total Liabilities and Net Assets	\$ 20,885,533	\$ 726,360	\$ 1,248,358	\$ 4,078,563	\$ 4,315,241	\$ (1,610,785)	\$ 29,643,270

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PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Activities

<i>Year ended June 30, 2018</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Unrestricted Support and Revenue							
Public grants - DJJ	\$ 19,480,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,480,797
Public grants - School Boards	7,710,503	-	-	-	-	-	7,710,503
Grants - other	1,101,432	-	-	-	-	-	1,101,432
Contributions	6,225,642	-	-	-	-	-	6,225,642
In-kind contributions	314,431	-	-	-	-	-	314,431
Special events	1,629,222	-	-	-	-	-	1,629,222
Interest and dividend income	193,415	17	-	58	54	-	193,544
Amortization of premiums on investments	(9,251)	-	-	-	-	-	(9,251)
Net realized and unrealized gain on investments	172,629	-	-	-	-	-	172,629
Rental income	-	41,328	-	-	70,924	(112,252)	-
Other income	130,357	-	-	-	-	-	130,357
Net assets released from restriction	4,126,062	-	-	-	-	-	4,126,062
Total Unrestricted Support and Revenue	41,075,239	41,345	-	58	70,978	(112,252)	41,075,368
Expenses							
Program services	31,513,889	26,173	133,612	336,573	247,840	(112,252)	32,145,835
Management and general	5,780,915	-	-	-	-	-	5,780,915
Fundraising	2,142,997	-	-	-	-	-	2,142,997
Total Expenses	39,437,801	26,173	133,612	336,573	247,840	(112,252)	40,069,747
Change in unrestricted net assets	\$ 1,637,438	\$ 15,172	\$ (133,612)	\$ (336,515)	\$ (176,862)	\$ -	\$ 1,005,621

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Activities (Continued)

<i>Year ended June 30, 2018</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Restricted Support and Revenue							
Grants - other	\$ 1,468,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,468,783
Contributions	3,479,873	-	-	-	-	-	3,479,873
Interest and dividend income	22,297	-	-	-	-	-	22,297
Net realized and unrealized gain on investments	54,593	-	-	-	-	-	54,593
Other income	7,029	-	-	-	-	-	7,029
Total Restricted Support and Revenue	5,032,575	-	-	-	-	-	5,032,575
Net assets released from restriction	(4,126,062)	-	-	-	-	-	(4,126,062)
Change in temporarily restricted net assets	906,513	-	-	-	-	-	906,513
Change in Total Net Assets	2,543,951	15,172	(133,612)	(336,515)	(176,862)	-	1,912,134
Net assets, beginning of the year	15,505,429	155,128	860,573	3,951,296	2,573,881	-	23,046,307
Net assets, end of the year	\$ 18,049,380	\$ 170,300	\$ 726,961	\$ 3,614,781	\$ 2,397,019	\$ -	\$ 24,958,441

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Activities

<i>Year ended June 30, 2017</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Unrestricted Support and Revenue							
Public grants - DJJ	\$ 19,056,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,056,100
Public grants - School Boards	7,592,456	-	-	-	-	-	7,592,456
Grants - other	2,865,304	-	-	-	-	-	2,865,304
Contributions	2,253,544	-	-	-	-	-	2,253,544
In-kind contributions	276,917	-	-	-	-	-	276,917
Special events	1,568,205	-	-	-	-	-	1,568,205
Interest and dividend income	130,161	17	-	28	43	-	130,249
Amortization of premiums on investments	(19,967)	-	-	-	-	-	(19,967)
Net realized and unrealized gain on investments	357,569	-	-	-	-	-	357,569
Rental income	-	41,328	-	31,095	70,225	(142,648)	-
Other income	65,462	-	-	-	-	-	65,462
Net assets released from restriction	3,983,301	-	-	-	-	-	3,983,301
Total Unrestricted Support and Revenue	38,129,052	41,345	-	31,123	70,268	(142,648)	38,129,140
Expenses							
Program services	30,201,238	42,346	133,611	339,249	222,949	(142,648)	30,796,745
Management and general	5,216,095	-	-	-	-	-	5,216,095
Fundraising	2,417,912	-	-	-	-	-	2,417,912
Total Expenses	37,835,245	42,346	133,611	339,249	222,949	(142,648)	38,430,752
Change in unrestricted net assets	293,807	(1,001)	(133,611)	(308,126)	(152,681)	-	(301,612)

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Activities (Continued)

<i>Year ended June 30, 2017</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Restricted Support and Revenue							
Grants - other	\$ 3,842,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,842,116
Contributions	74,206	-	-	-	-	-	74,206
Special events	11,002	-	-	-	-	-	11,002
Interest and dividend income	66,862	-	-	-	-	-	66,862
Net realized and unrealized gain on investments	72,668	-	-	-	-	-	72,668
Other income	9,997	-	-	-	-	-	9,997
Total restricted support and revenue	4,076,851	-	-	-	-	-	4,076,851
Net assets released from restriction	(3,983,301)	-	-	-	-	-	(3,983,301)
Change in temporarily restricted net assets	93,550	-	-	-	-	-	93,550
Change in Total Net Assets	387,357	(1,001)	(133,611)	(308,126)	(152,681)	-	(208,062)
Net assets - beginning of the year	15,118,072	156,129	994,184	4,259,422	2,726,562	-	23,254,369
Net assets - end of the year	\$ 15,505,429	\$ 155,128	\$ 860,573	\$ 3,951,296	\$ 2,573,881	\$ -	\$ 23,046,307

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Cash Flows

<i>Year ended June 30, 2018</i>	PACE Center for Girls, Inc.	PACE Alachua - THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Operating Activities							
Change in net assets	\$ 2,543,951	\$ 15,172	\$ (133,612)	\$ (336,515)	\$ (176,862)	-	\$ 1,912,134
Adjustments to reconcile change in net assets to net cash provided by operating activities:							
Depreciation and amortization	509,759	26,173	133,612	336,573	238,596	-	1,244,713
Gain on disposal of equipment	(4,481)	-	-	-	-	-	(4,481)
Net unrealized gain on investments	(144,002)	-	-	-	-	-	(144,002)
Bad debt expense	90,334	-	-	-	-	-	90,334
Amortization of premiums on investments	9,251	-	-	-	-	-	9,251
Change in:							
Contracts and grants receivable	(944,090)	-	-	-	-	-	(944,090)
Pledges receivable	(176,142)	-	-	-	-	-	(176,142)
Prepaid expenses and other assets	(237,670)	-	-	-	-	(64,742)	(302,412)
Accounts payable and accrued expenses	894,951	(41,328)	-	1,087	(33,135)	64,742	886,317
Deferred revenue	48,917	-	-	-	-	-	48,917
Net cash provided by operating activities	2,590,778	17	-	1,145	28,599	-	2,620,539
Investing Activities							
Proceeds from sale of investments	185,456	-	-	-	-	-	185,456
Purchases of land, buildings and equipment	(885,407)	-	-	-	-	-	(885,407)
Purchases of investments	(436,614)	-	-	-	-	-	(436,614)
Net cash used in investing activities	(1,136,565)	-	-	-	-	-	(1,136,565)

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Cash Flows (Continued)

<i>Year ended June 30, 2018</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Financing Activities							
Proceeds from lines of credit	492,427	-	-	-	-	-	492,427
Principal repayments of lines of credit	(425,859)	-	-	-	-	-	(425,859)
Principal repayments of notes payable	(112,420)	-	-	-	(19,942)	-	(132,362)
Net cash used in financing activities	(45,852)	-	-	-	(19,942)	-	(65,794)
Net Increase in Cash	1,408,361	17	-	1,145	8,657	-	1,418,180
Cash and Cash Equivalents, beginning of the year	5,187,281	8,400	-	15,082	13,810	-	5,224,573
Cash and Cash Equivalents, end of the year	\$ 6,595,642	\$ 8,417	\$ -	\$ 16,227	\$ 22,467	\$ -	\$ 6,642,753
Supplemental Disclosure of Cash Flow Information							
Cash paid for interest expense	\$ 93,956	\$ -	\$ -	\$ -	\$ 9,684	\$ -	\$ 103,640

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Cash Flows

<i>Year ended June 30, 2017</i>	PACE Center for Girls, Inc.	PACE Alachua - THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Operating Activities							
Change in net assets	\$ 387,357	\$ (1,001)	\$ (133,611)	\$ (308,126)	\$ (152,681)	\$ -	\$ (208,062)
Adjustments to reconcile change in net assets to net cash used in operating activities:							
Depreciation and amortization	441,037	26,172	133,611	337,528	222,402	-	1,160,750
Net unrealized gain on investments	(508,988)	-	-	-	-	-	(508,988)
Bad debt expense	141,618	-	-	-	-	-	141,618
Amortization of premium on investments	19,967	-	-	-	-	-	19,967
Change in:							
Contracts and grants receivable	(1,705,298)	-	-	-	-	-	(1,705,298)
Pledges receivable	(41,174)	-	-	-	-	-	(41,174)
Prepaid expenses and other assets	22,999	-	-	-	-	328,515	351,514
Accounts payable and accrued expenses	643,409	372,279	-	-	(43,764)	(328,515)	643,409
Deferred revenue	123,089	-	-	(3,110)	(2,865)	-	117,114
Net cash used in operating activities	(475,984)	397,450	-	26,292	23,092	-	(29,150)
Investing Activities							
Proceeds from sale of investments	1,520,374	-	-	-	-	-	1,520,374
Purchases of land, buildings, and equipment	(741,794)	-	-	-	(1,193,916)	-	(1,935,710)
Purchases of investments	(1,585,292)	-	-	-	-	-	(1,585,292)
Net cash used in in investing activities	(806,712)	-	-	-	(1,193,916)	-	(2,000,628)

PACE Center for Girls, Inc. and Affiliates
Consolidating Schedule of Cash Flows (Continued)

<i>Year ended June 30, 2017</i>	PACE Center for Girls, Inc.	PACE Alachua- THC, Inc.	PACE Broward- THC, Inc.	PACE Collier at Immokalee- THC, Inc.	PACE- THC, Inc.	Eliminations	Total
Financing Activities							
Proceeds from lines of credit	769,926	-	-	-	-	-	769,926
Proceeds from notes payable	-	-	-	-	1,200,000	-	1,200,000
Principal repayments of notes payable	(94,510)	(397,433)	-	(24,250)	(31,999)	-	(548,192)
Net cash used in financing activities	675,416	(397,433)	-	(24,250)	1,168,001	-	1,421,734
Net Decrease in Cash	(607,280)	17	-	2,042	(2,823)	-	(608,044)
Cash and Cash Equivalents, beginning of the year	5,794,561	8,383	-	13,040	16,633	-	5,832,617
Cash and Cash Equivalents, end of the year	\$ 5,187,281	\$ 8,400	\$ -	\$ 15,082	\$ 13,810	\$ -	\$ 5,224,573
Supplemental Disclosure of Cash Flow Information							
Cash paid for interest expense	\$ 23,118	\$ 15,991	\$ -	\$ 2,230	\$ 2,552	\$ -	\$ 43,891
Non-Cash Event							
Line of credit transfer to notes payable	\$ 285,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,661

See accompanying independent auditor's report.

PACE Center for Girls, Inc. and Affiliates
Schedule of Source and Expenditure of City Grant Funds
Years Ended June 30, 2018 and 2017

CITY OF JACKSONVILLE PUBLIC SERVICE GRANTS

Receipt of City Funds

		City FY 2017-2018 Grant #7000-36
Amount of Award (per City budget ordinance)	\$	120,000
Amended Amount of Award		60,000
Prior year carry forward funds		-
Actual funds received from City in last audit period		-
Actual amount received this audit period		(70,445)
<hr/>		
Amount due to PACE	\$	109,555

Expenditure of City Funds

City FY 2017-2018 Grant #7000-36 - \$180,000

	Budgeted Grant as Amended		Actual 7/1/2017 - 9/30/2017		Actual 10/1/2017 - 12/31/2017		Actual 1/1/2018 - 3/31/2018		Actual 4/1/2018 - 6/30/2018	Total Actual	Remaining Balance
Salaries	\$ 148,430	\$ -	\$ 24,977	\$ -	\$ 32,358	\$ -	\$ 39,766	\$ -	\$ 97,101	\$ 51,329	
Indirect Cost	16,200	-	4,050	-	4,050	-	4,050	-	12,150	4,050	
Transportation	15,370	-	960	-	4,050	-	2,640	-	7,650	7,720	
<hr/>											
Total	\$ 180,000	\$ -	\$ 29,987	\$ -	\$ 40,458	\$ -	\$ 46,456	\$ -	\$ 116,901	\$ 63,099	

PACE Center for Girls, Inc. and Affiliates
Schedule of Source and Expenditure of City Grant Funds (Continued)
Years Ended June 30, 2018 and 2017

Receipt of City Funds

	<u>City FY 2016-2017 Grant #7000-35</u>
Amount of Award (per City budget ordinance)	\$ 180,000
Prior year carry forward funds	-
Actual funds received from City in last audit period	(135,617)
Actual amount received this audit period	(44,383)
<hr/>	
Amount due to PACE	\$ -

Expenditure of City Funds

City FY 2016-2017 Grant #7000-35 - \$180,000

	Budgeted Grant	Amendment	Budgeted Grant	Actual 7/1/2016 - 9/30/2016	Actual 10/1/2016 - 12/31/2016	Actual 1/1/2017 - 3/31/2017	Actual 4/1/2017 - 6/30/2017	Actual 7/1/2017 - 9/30/2017	Total Actual	Remaining Balance
Salaries	\$ 153,379	\$ -	\$ 153,379	\$ -	\$ 35,899	\$ 42,259	\$ 35,439	\$ 39,782	\$ 153,379	\$ -
Indirect Cost	16,200	-	16,200	-	4,050	4,050	4,050	4,050	16,200	-
Transportation	10,421	-	10,421	-	2,010	4,410	3,450	551	10,421	-
<hr/>										
Total	\$ 180,000	\$ -	\$ 180,000	\$ -	\$ 41,959	\$ 50,719	\$ 42,939	\$ 44,383	\$ 180,000	\$ -

The schedule of sources and expenditures of city grant funds includes grant activity related to funding from the various departments within the City of Jacksonville.

The information in this schedule is presented in accordance with the requirements of Ordinance Code Chapter 118.208(e) of the City of Jacksonville, Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

Single Audit Reporting



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
PACE Center for Girls, Inc. and Affiliates
Jacksonville, Florida

We have audited, 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, 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, 2018 and the related consolidated statements of activities, cash flows and functional expenses for the year then ended and have issued our report thereon dated October 2, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 opinion on the consolidated 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 Organization's consolidated 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 the 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 consolidated financial statements are free of 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 consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

BDO USA, LLP

Certified Public Accountants
October 2, 2018



Independent Auditor's Report on Compliance For Each Major Program and State Project and Report on Internal Control Over Compliance Required by Uniform Guidance and Chapter 10.650, *Rules of the Auditor General of the State of Florida*

Board of Trustees
PACE Center for Girls, Inc. and Affiliates
Jacksonville, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited PACE Center for Girls, Inc. ("PACE") and Affiliates, compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the State of Florida's Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of PACE's major federal programs and state projects for the year ended June 30, 2018. PACE's major federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and terms and condition its federal and state awards applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of PACE's major federal programs and 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; the audit requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.650, *Rules of the Florida Auditor General*. Those standards, Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* of the State of Florida 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 each major federal program or 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 federal program and state project. However, our audit does not provide a legal determination of PACE's compliance.



Opinion of Each Major Federal Program and State Project

In our opinion, PACE complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs or state project for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of PACE 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 PACE's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, 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 PACE'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 federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program or 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 federal program or 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 that testing based on the requirements of Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Certified Public Accountants
October 2, 2018

PACE Center for Girls Inc. and Affiliates
Schedule of Expenditures of Financial Awards
Year Ended June 30, 2018

Federal/State Grantor/Pass-Through, Grantor/Federal Program/State Project	CFDA CFSA Number	Contract Number	Federal Expenditures	State Expenditures	Local Expenditures
<u>FEDERAL PROGRAMS:</u>					
U.S. DEPARTMENT OF JUSTICE					
<i>Passed through Office of Juvenile Justice and Delinquency Prevention</i>					
Reducing Reliance on Secure Placement and Improving Community-Based Responses for Girls-At-Risk of Entering the Juvenile Justice System	16.830	2016-GJ-FX-K002 (2016-2017)	\$ 64,637	\$ -	\$ -
	16.830	2016-GJ-FX-K002 (2017-2018)	124,532	-	-
Subtotal U.S. Department of Justice			189,169	-	-
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed through State Department of Education</i>					
National School Breakfast and Lunch Program	10.553/10.555	18308	488,453	-	-
U.S. DEPARTMENT OF EDUCATION					
<i>Passed through School Board of Collier County</i>					
Title 1 Grants to Local Educational Agencies	84.010	184280	38,968	-	-
<i>Passed through School Board of Leon County</i>					
Title 1 Grants to Local Educational Agencies	84.010	1503	29,685	-	-
Subtotal U.S. Department of Education			68,653	-	-

PACE Center for Girls Inc. and Affiliates
Schedule of Expenditures of Financial Awards (Continued)
Year Ended June 30, 2018

Federal/State Grantor/Pass-Through, Grantor/Federal Program/State Project	CFDA CFSA Number	Contract Number	Federal Expenditures	State Expenditures	Local Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
<i>Passed through the City of Tallahassee</i>					
Department of Economic and Community Development - Human Resource Division:					
Spirited Girls Program and Reach Program	14.218	FYE 2016- 2017	7,030	-	-
Spirited Girls Program and Reach Program	14.218	FYE 2017-2018	7,842	-	-
Subtotal U.S. Department of Housing and Urban Development			14,872	-	-
Total Expenditures of Federal Awards			\$ 761,147	\$ -	\$ -
<u>STATE PROJECTS:</u>					
FLORIDA DEPARTMENT OF JUVENILE JUSTICE					
Pace Center for Girls - Prevention and Victim Services	80.007	X10051	\$ -	\$ 19,480,797	\$ -
<u>LOCAL ASSISTANCE:</u>					
<i>Passed through the City of Jacksonville, Florida</i>					
Jacksonville Children's Commission	N/A	7000-36 (2017-2018)	\$ -	\$ -	116,901
Jacksonville Children's Commission	N/A	7000-35 (2016-2017)	-	-	44,383
			-	-	161,284

PACE Center for Girls Inc. and Affiliates
Schedule of Expenditures of Financial Awards (Continued)
Year Ended June 30, 2018

Federal/State Grantor/Pass-Through, Grantor/Federal Program/State Project	CFDA CFSA Number	Contract Number	Federal Expenditures	State Expenditures	Local Expenditures
<i>Other local grants</i>					
Children's Services Council of St. Lucie	N/A	N/A 2017-2018	-	-	74,082
Broward County Children's Services (NEW Day)	N/A	14-2812 (2016-2017)	-	-	53,180
Broward County Children's Services (NEW Day)	N/A	14-2812 (2017-2018)	-	-	77,260
Broward County Children's Services (HYT)	N/A	16-2814 (2016-2017)	-	-	135,994
Broward County Children's Services (HYT)	N/A	16-2814 (2017-2018)	-	-	161,389
Manatee Board of County Commissioners	N/A	TPP (2017-2018)	-	-	182,717
Juvenile Welfare Board of Pinellas County	N/A	AGN295 (FY 2017-2018)	-	-	124,111
Lee County SW Florida Board of County Commissioners Department of Human Services	N/A	7344 (2017-2018)	-	-	22,192
Lee County SW Florida Board of County Commissioners Department of Human Services	N/A	7344 (2016-2017)	-	-	7,679
Leon County Board of County Commissioners	N/A	N/A (2016-2017)	-	-	14,393
Leon County Board of County Commissioners	N/A	1326E (FY 2017-18)	-	-	52,914
Volusia County Children and Family Services	N/A	RSQ15-SQ-96PW	-	-	18,033
Alachua County Board of County Commissioners - County Community Agency Partners	N/A	RFA: 16-198	-	-	30,445
Total Expenditures of Local Assistance			\$ -	\$ -	\$ 954,389
Total Expenditures of Federal Awards, State, and Local Assistance			\$ 761,147	\$ 19,480,797	\$ 1,115,673

See accompanying notes to schedule of financial awards.

PACE Center for Girls, Inc. and Affiliates
Notes to Schedule of Expenditures of Financial Awards
Year Ended June 30, 2018

NOTE 1 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of financial awards includes the federal, state, and local grant activity of PACE Center for Girls, Inc., and Affiliates (collectively the "Organization"), and is prepared on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") and the requirements described in the Executive Office of the Governor of the State of Florida's *State Projects Compliance Supplement*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

NOTE 2 - PASS-THROUGH AWARDS

The Organization received certain federal awards and state projects from pass-through awards of the state, local government, and other entities. The total amount of such pass-through awards is included on the accompanying supplementary schedule.

NOTE 3 - TRANSFERS TO SUBRECIPIENTS

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

NOTE 4 - INDIRECT COST RATE

The Organization has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

PACE Center for Girls, Inc. and Affiliates
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Summary of Independent Auditor's Results

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP		<u>Unmodified</u>	
Internal control over financial reporting:			
Material weakness (es) identified?	_____ Yes	_____ <u>x</u> No	
Significant deficiency (ies) identified?	_____ Yes	_____ <u>x</u> None noted	
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>x</u> No	

Federal Awards and State Financial Assistance Projects

Material weakness (es) identified?	_____ Yes	_____ <u>x</u> No	
Significant deficiency (ies) identified?	_____ Yes	_____ <u>x</u> None noted	
Type of auditor's report issued on compliance for major federal programs and state projects:		<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, <i>Rules of the Florida Auditor General</i> ?	_____ Yes	_____ <u>x</u> No	

Identification of major federal programs and state projects:

Federal Programs:

CFDA Number	Name of Federal Programs or Cluster
10.553/10.555	National School Breakfast and Lunch Program
16.830	Office of Juvenile Justice and Delinquency Prevention

State Projects:

CSFA Number	Name of State Projects
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 programs:

Federal Programs	\$750,000
State projects	\$584,424

Auditee qualified as low-risk auditee? _____ Yes _____ x No

PACE Center for Girls, Inc. and Affiliates
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

Section II - Financial Statement Findings Section

There were no findings that were required to be reported to those charged with governance.

Section III - Findings and Questioned Costs - Federal Awards and State Financial Assistance Projects

There were no findings identified that were required to be reported to those charged with governance in accordance with 2 CFR 200.516(a) or Chapter 10.650, *Rules of the Florida Auditor General* during the year ended June 30, 2018.