Pace Center for Girls, Inc. and Affiliates

Consolidated Financial Statements and Supplementary Information

June 30, 2024 and 2023

Warren Averett
CPAs AND ADVISORS
www.warrenaverett.com

The report accompanying this deliverable was issued by Warren Averett, LLC.

Pace Center for Girls, Inc. and Affiliates
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June 30, 2024 and 2023

Warren Averett
CPAs AND ADVISORS

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Independent Auditors' Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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, 2024 and 2023 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 (the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 24 through 27 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the 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 November 26, 2024 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 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
November 26, 2024

Pace Center for Girls, Inc. and Affiliates
Consolidated Statements of Financial Position
For the Years Ended June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 2,523,657	$ 1,777,472
Investments	7,723,376	8,087,917
Contracts and grants receivable	6,024,467	11,429,252
Pledges receivable - current (net of reserves of $22,709 and $66,534)	212,456	186,357
Prepaid expenses and other current assets	915,411	1,086,433
Total current assets	17,399,367	22,567,431
Noncurrent Assets		
Pledges receivable - long-term (net of reserves and discounts of $16,991 and $35,926)	162,940	107,182
Property and equipment, net	28,528,097	24,274,608
Operating lease right-of-use assets	3,781,940	5,146,640
Total noncurrent assets	32,472,977	29,528,430
Total Assets	**$ 49,872,344**	**$ 52,095,861**
Liabilities and Net Assets		
Current Liabilities		
Line of credit	$ 3,750,000	$ -
Notes payable - current	194,872	1,604,385
Current portion of operating lease liabilities	1,125,687	1,647,890
Accounts payable and accrued expenses	1,923,230	1,998,523
Accrued payroll and benefits	4,284,837	3,922,849
Deferred revenue	100,622	126,127
Total current liabilities	11,379,248	9,299,774
Noncurrent Liabilities		
Notes payable, net of current portion and unamortized loan costs	3,199,787	3,374,587
Operating lease liabilities, net of current portion	2,161,910	3,317,199
Total noncurrent liabilities	5,361,697	6,691,786
Total Liabilities	16,740,945	15,991,560
Net Assets		
Without donor restrictions	25,219,384	29,493,165
With donor restrictions	7,912,015	6,611,136
Total net assets	33,131,399	36,104,301
Total Liabilities and Net Assets	**$ 49,872,344**	**$ 52,095,861**

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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total All Classes
Support and Revenue			
Public grants - State Departments of Juvenile Justice	$ 26,289,599	$ -	$ 26,289,599
Public grants - School Boards	8,920,933	-	8,920,933
Grants - other	10,162,665	2,237,046	12,399,711
Contributions	8,000,236	3,074,554	11,074,790
In-kind contributions	305,055	-	305,055
Interest and dividend income	229,259	-	229,259
Net realized and unrealized gains on investments	508,561	-	508,561
Other	11,571	-	11,571
Total support and revenue	54,427,879	5,311,600	59,739,479
Net assets released from restrictions	4,010,721	(4,010,721)	-
Expenses			
Program services	48,688,078	-	48,688,078
Management and general	9,100,092	-	9,100,092
Fundraising	4,924,211	-	4,924,211
Total expenses	62,712,381	-	62,712,381
Change in net assets	(4,273,781)	1,300,879	(2,972,902)
Net assets, beginning of year	29,493,165	6,611,136	36,104,301
Net assets, end of year	**$ 25,219,384**	**$ 7,912,015**	**$ 33,131,399**

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total All Classes
Support and Revenue			
Public grants - State Departments of Juvenile Justice	$ 24,456,039	$ -	$ 24,456,039
Public grants - School Boards	8,672,479	-	8,672,479
Grants - other	6,676,265	1,016,673	7,692,938
Contributions	8,727,517	1,897,144	10,624,661
In-kind contributions	230,648	-	230,648
Interest and dividend income	239,120	-	239,120
Net realized and unrealized gains on investments	341,838	-	341,838
Employee retention tax credit	6,161,693	-	6,161,693
Other	549,672	-	549,672
Total support and revenue	56,055,271	2,913,817	58,969,088
Net assets released from restrictions	3,124,211	(3,124,211)	-
Expenses			
Program services	43,629,548	-	43,629,548
Management and general	7,543,045	-	7,543,045
Fundraising	3,671,384	-	3,671,384
Total expenses	54,843,977	-	54,843,977
Change in net assets	4,335,505	(210,394)	4,125,111
Net assets, beginning of year	25,157,660	6,821,530	31,979,190
Net assets, end of year	**$ 29,493,165**	**$ 6,611,136**	**$ 36,104,301**

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, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ (2,972,902)	$ 4,125,111
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,365,822	1,245,947
Operating lease right-of-use asset amortization	1,364,700	1,298,305
Gain on investments	(508,561)	(341,838)
Changes in:		
Contracts and grants receivable	5,404,788	(3,807,741)
Pledges receivable, net	(81,857)	240,605
Employee retention tax credit receivable	-	3,500,000
Prepaid expenses and other assets	171,022	(220,913)
Accounts payable and accrued expenses	(75,293)	323,047
Accrued payroll and benefits	361,988	(1,615,055)
Deferred revenue	(25,505)	33,019
Operating lease liabilities	(1,677,492)	(1,479,856)
Net cash provided by operating activities	3,326,710	3,300,631
Cash flows from investing activities		
Proceeds from sale of investments	(5,945,941)	1,911,407
Purchases of property and equipment	(5,619,314)	(3,411,794)
Purchases of investments	6,819,043	(2,148,959)
Net cash used in investing activities	(4,746,212)	(3,649,346)
Cash flows from financing activities		
Proceeds from line of credit	6,750,000	3,000,000
Repayments of line of credit	(3,000,000)	(3,000,000)
Principal repayments of notes payable	(1,584,313)	(1,763,428)
Net cash provided by (used in) financing activities	2,165,687	(1,763,428)
Net change in cash and cash equivalents	746,185	(2,112,143)
Cash and cash equivalents - beginning of the year	1,777,472	3,889,615
Cash and cash equivalents - end of the year	**$ 2,523,657**	**$ 1,777,472**
Supplemental disclosure of cash flow information and noncash investing and financing activities		
Cash paid for interest expense	**$ 422,465**	**$ 326,606**

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, 2024

	Program Services	Management and General	Fundraising	Total
Salaries	$ 27,458,958	$ 4,928,531	$ 2,816,303	$ 35,203,792
Payroll taxes and employee benefits	6,722,498	1,206,602	689,487	8,618,587
Employee training and recruiting	1,023,655	183,733	104,990	1,312,378
Contracted personnel	338,046	60,675	34,671	433,392
	35,543,157	6,379,541	3,645,451	45,568,149
Occupancy	3,190,232	643,397	367,656	4,201,285
Telecommunication	936,112	168,020	96,011	1,200,143
Equipment	1,948,242	349,847	199,820	2,497,909
Vehicle	252,787	45,372	25,927	324,086
Business and property insurance	521,529	93,608	53,490	668,627
Professional fees	913,915	172,721	93,735	1,180,371
Materials and supplies	205,408	36,868	21,067	263,343
Outreach and community engagement	700,914	125,805	71,889	898,608
Student costs	1,538,435	276,129	157,788	1,972,352
Travel	613,940	108,146	61,798	783,884
Special events	489,883	87,928	50,244	628,055
Depreciation and amortization	1,024,369	341,456	-	1,365,825
Uncollectible accounts	42,882	-	-	42,882
Interest	329,523	59,145	33,797	422,465
In-kind	237,943	42,708	24,405	305,056
Other	198,807	169,401	21,133	389,341
Total Expenses	**$ 48,688,078**	**$ 9,100,092**	**$ 4,924,211**	**$ 62,712,381**

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, 2023

	Program Services	Management and General	Fundraising	Total
Salaries	$ 23,978,923	$ 4,027,923	$ 2,042,732	$ 30,049,578
Payroll taxes and employee benefits	5,570,913	935,789	474,578	6,981,280
Employee training and recruiting	954,855	160,394	81,343	1,196,592
Contracted personnel	311,501	52,325	26,536	390,362
	30,816,192	5,176,431	2,625,189	38,617,812
Occupancy	2,922,315	571,056	289,607	3,782,978
Telecommunication	1,069,613	179,671	91,119	1,340,403
Equipment	1,925,652	316,180	160,349	2,402,181
Vehicle	430,687	72,469	36,752	539,908
Business and property insurance	321,523	54,009	27,390	402,922
Professional fees	1,917,019	322,016	163,308	2,402,343
Materials and supplies	189,795	31,881	16,168	237,844
Outreach and community engagement	178,412	29,969	15,199	223,580
Student costs	1,442,528	242,312	122,887	1,807,727
Travel	427,953	71,930	36,479	536,362
Special events	394,083	66,197	33,571	493,851
Depreciation and amortization	908,557	303,694	-	1,212,251
Interest	335,992	56,439	28,623	421,054
In-kind	183,994	30,907	15,674	230,575
Other	165,233	17,884	9,069	192,186
Total Expenses	**$ 43,629,548**	**$ 7,543,045**	**$ 3,671,384**	**$ 54,843,977**

See accompanying notes to the consolidated financial statements.

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 middle and high school aged girls with three or more risk domains correlated to being 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 through a statewide network of 21 Pace centers in Florida that provide the full academic school day and comprehensive wrap around services. Pace also partners with school districts and community healthcare partners in Florida, Georgia, and South Carolina to bring much needed mental health services to young women through its Pace Reach Program. Collectively, Pace annually helps more than 3,000 girls get back on track to graduate from high school.

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. In addition to Florida, Pace operates in Macon County, Georgia and the South Carolina counties of Florence, Marion, and Darlington.

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 there from, and to turn over the entire amount thereof, less expenses, to Pace.

2. Summary of Significant Accounting Policies

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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.

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

2. Summary of Significant Accounting Policies (continued)

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, 2024 and 2023. The Organization charges interest on past due contracts with the district school boards at a rate of one percent per month, calculated on a daily basis, on the unpaid balance until such time as a warrant is issued for the invoice and accrued interest amount. The Organization does not charge interest on other 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, 2024 and 2023.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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 $2,983,000 and $2,967,000 for the years ended June 30, 2024 and 2023, 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, 2024 and 2023, 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.

2. Summary of Significant Accounting Policies (continued)

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.

Right-Of-Use Lease Assets and Lease Liabilities
Effective July 1, 2022, the Organization adopted FASB ASC Topic 842, Leases. Under ASC Topic 842, a lessee is required to recognize a lease liability and a right-of-use lease asset on the balance sheet. In connection with the adoption of ASC Topic 842, the Organization has elected to apply the following practical expedients:

- election of an accounting policy that permits inclusion of both the lease and non-lease components as a single lease component;
- election of an accounting policy to exclude lease accounting requirements for leases that have terms of less than 12 months; and
- the use of hindsight in determining the lease term and in assessing impairment of right-of-use assets.

In accordance with ASC Topic 842, at lease commencement, the Organization initially measures the lease liability at the present value of payments expected to be made during the lease term. The right-of-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

Key estimates and judgments related to leases include how the Organization determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Organization uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Organization generally uses their incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease, as well as expected renewal terms. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Organization monitors changes in circumstances that would require a remeasurement of its leases and will remeasure right-of-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability.

3. Pledges Receivable

Pledges receivable are comprised of unconditional promises to give with collection periods through June 30, 2029. Pledges receivable are recorded after discounting to the present value of future cash flows using a rate of 4%. Pledges receivable are as follows:

As of June 30,	2024	2023
Receivable in less than one year	$ 235,164	$ 252,891
Receivable in one to five years	179,932	143,108
	415,096	395,999
Less: discounts to net present value	(16,991)	(18,826)
Less: allowance for doubtful accounts	(22,709)	(83,634)
Net pledges receivable	**$ 375,396**	**$ 293,539**

4. Investments and Fair Value Measurements

Investments are summarized as follows:

As of June 30,	2024	2023
Mutual Funds	$ 4,132,856	$ 3,872,643
Fixed income funds	2,387,315	1,435,280
Government agencies	307,657	319,054
Other short-term investments	249,174	527,589
Corporate bonds	533,096	1,809,468
Real estate	113,278	123,883
Total	**$ 7,723,376**	**$ 8,087,917**

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 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.

4. Investments and Fair Value Measurements (continued)

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, 2024:

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 4,132,856	$ -	$ -	$ 4,132,856
Fixed income funds	2,387,315	-	-	2,387,315
Government agencies	307,657	-	-	307,657
Other short-term investments	249,174	-	-	249,174
Corporate bonds	533,096	-	-	533,096
Other	113,278	-	-	113,278
Total	**$ 7,723,376**	**$ -**	**$ -**	**$ 7,723,376**

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, 2023:

	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 3,872,643	$ -	$ -	$ 3,872,643
Fixed income funds	1,435,280	-	-	1,435,280
Government agencies	319,054	-	-	319,054
Other short-term investments	527,589	-	-	527,589
Corporate bonds	1,809,468	-	-	1,809,468
Other	123,883	-	-	123,883
Total	**$ 8,087,917**	**$ -**	**$ -**	**$ 8,087,917**

There were no transfers between Level 1, Level 2, or Level 3 investments during the years ended June 30, 2024 and 2023.

5. Property and Equipment

Property and equipment consist of the following:

As of June 30,	2024	2023
Buildings and improvements	$ 31,242,340	$ 31,217,340
Land and improvements	4,986,755	4,200,617
Furniture and equipment	4,311,909	2,249,599
Vehicles	727,160	727,160
Construction in progress	3,980,591	1,240,899
Leasehold improvements	135,755	135,755
	45,384,510	39,771,370
Less: accumulated depreciation and amortization	(16,856,413)	**(15,496,762)**
Total	**$ 28,528,097**	**$ 24,274,608**

5. Property and Equipment (continued)

Depreciation expense amounted to approximately $1,366,000 and $1,221,000 for the years ended June 30, 2024 and 2023, respectively.

6. Notes Payable

Notes payable consist of the following:

As of June 30,	2024	2023
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; paid in full in fiscal year 2024	$ -	$ 1,153,486
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.	1,065,952	1,090,027
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; paid in full in fiscal year 2024	-	263,804
Mortgage payable for the Organization's Palm Beach facility. Monthly payments of $22,320, including interest at 4.15%, with a maturity date of April 1, 2030. The note is secured by the land and building of Pace Broward-THC.	2,408,210	2,571,158
Total notes payable	3,474,162	5,078,475
Less current portion	(194,872)	(1,604,385)
Less loan costs	(79,503)	(99,503)
Notes payable, long-term	**$ 3,199,787**	**$ 3,374,587**

6. Notes Payable (continued)

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

Year ending June 30,		**2024**
2025	$	194,872
2026		203,337
2027		212,172
2028		1,178,873
2029		200,673
Thereafter		1,484,235
Total notes payable	**$**	**3,474,162**

The notes require the Organization to comply with certain covenants and reporting requirements. The Organization was not in compliance with those covenants as of and for the year ended June 30, 2024; however, a bank waiver was obtained. The Organization was in compliance with those covenants as of and for the year ended June 30, 2023.

The Organization had an unsecured revolving line of credit with a maximum borrowing limit of $3,000,000 at June 30, 2023. During the year ended June 30, 2024, the maximum borrowing limit was reduced to $2,000,000. The line of credit bears interest at a rate of the Secured Overnight Financing Rate (SOFR) daily floating rate (with a floor of 0.50%) plus 2.40% (7.84% at June 30, 2024) and matures on December 31, 2024. During the year ended June 30, 2023, the line of credit bore an interest rate of the Bloomberg Short-Term Bank Yield Index (BSBY) daily floating rate (with a floor of 0.50%) plus 2.40% (7.62% at June 30, 2023). There was $2,000,000 and $0 outstanding on the line of credit at June 30, 2024 and 2023, respectively.

The Organization has another revolving line of credit with a maximum borrowing limit of $3,500,000. The line of credit bears interest at a rate at the greater of 1.00% or Prime Rate minus 1.00% (7.50% at June 30, 2024) and matures on March 18, 2026. The line of credit is secured by certain investments. There was $1,750,000 outstanding on the line of credit at June 30, 2024.

7. Right-Of-Use Lease Assets and Lease Liabilities

The Organization leases certain facilities under long-term operating leases and equipment and vehicles under short term non-cancelable operating leases. 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 leases contain varying renewal options which are reflected within the right-of-use lease assets and liabilities if they are reasonably certain to be exercised.

7. Right-Of-Use Lease Assets and Lease Liabilities (continued)

Right-of-use lease assets and lease liabilities are classified as follows on the consolidated statements of financial position:

As of June 30,	2024	2023
Operating Leases		
Operating lease right-of-use assets	**$ 3,781,940**	**$ 5,146,640**
Current portion of operating lease liabilities	$ 1,125,687	$ 1,647,890
Operating lease liabilities, net of current portion	2,161,910	3,317,199
Total operating lease liabilities	**$ 3,287,597**	**$ 4,965,089**

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2024:

Weighted Average Remaining Lease Term	
Operating leases	3.51 years
Weighted Average Discount Rate	
Operating leases	4.75%

Future maturities of lease liabilities are as follows:

Year ending June 30,	2024
2025	$ 1,002,080
2026	1,068,245
2027	745,469
2028	617,795
2029	39,380
Total lease payments	3,472,969
Less interest	185,372
Present value of lease liabilities	**$ 3,287,597**

The following is a summary of lease expense recorded in the consolidated statements of activities:

Years ended June 30,	2024	2023
Short-term lease expense	$ 549,423	$ 498,658
In-kind contributions	144,645	66,503
Operating lease expense included in occupancy expenses	1,364,697	1,468,416
Total lease expense	**$ 2,058,765**	**$ 2,033,577**

7. Right-Of-Use Lease Assets and Lease Liabilities (continued)

The following summarizes cash flow information related to operating leases:

Years ended June 30,	2024	2023
Cash paid for amounts included in the measurement lease liabilities:		
Operating cash flows from operating leases	$ 1,672,738	$ 1,649,959
Lease assets obtained in exchange for lease obligations:		
Operating leases	$ -	$ 6,444,945

8. Contributed Nonfinancial Assets

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. 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.

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

Years ended June 30,	2024	2023
Student costs / supplies	$ 106,370	$ 52,345
Special events	27,040	65,077
Occupancy	144,645	66,503
Other	27,000	46,723
Total	**$ 305,055**	**$ 230,648**

Contributed nonfinancial assets include donations of supplies, services and occupancy costs. The fair value of the supplies is based on standard price of the type of supply and occupancy is based on the standard occupancy cost for the location and size of the dwelling. The fair value of the other services is based on the standard rates charged for those services.

8. Contributed Nonfinancial Assets (continued)

No contributed nonfinancial assets were restricted, and the Organization only uses such assets for its own program or supporting service activities.

9. 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:

As of June 30,	2024	2023
Program services	$ 2,374,387	$ 2,202,864
Therapist services	735,674	1,337,037
Capital campaign	2,392,007	1,771,117
Time restrictions: pledges and multi-year grants	1,030,095	62,077
Grants, student support and other	437,463	400,293
Scholarships	471,392	281,220
Transition services	470,997	556,528
Total	**$ 7,912,015**	**$ 6,611,136**

10. Liquidity and Availability

At June 30, 2024 and 2023, the Organization has the following amounts available to cover general expenditures:

As of June 30,	2024	2023
Total cash and investments	$ 10,247,033	$ 9,865,389
Restricted funds	7,912,015	6,611,136
Net financial assets available to meet cash needs for general expenditures within one year	**$ 2,335,018**	**$ 3,254,253**

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, 2024 and 2023, the level of liquidity and reserves was managed within these requirements.

10. Liquidity and Availability (continued)

The Organization has availability of $2,750,000 and $3,000,000 on its revolving lines of credit as of June 30, 2024 and 2023, respectively.

11. 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 $0 and $331,564, for the years ended June 30, 2024 and 2023, respectively.

12. 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 44% and 41% of total revenue and support of the Organization for the years ended June 30, 2024 and 2023, respectively. Amounts receivable from the DJJ accounted for approximately 36% and 43% of total contracts and grants receivable of the Organization as of June 30, 2024 and 2023, respectively.

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 $4,633,284 and $3,092,132 at June 30, 2024 and 2023, is included in property and equipment on the accompanying consolidated statements of financial position.

13. 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.

14. Employee Retention Tax Credit Receivable

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law, providing numerous tax provisions and other stimulus measures, including the Employee Retention Tax Credit (ERTC): a refundable tax credit against certain employment taxes for qualifying businesses keeping employees on their payroll during the COVID-19 pandemic. The ERTC was subsequently amended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020, the Consolidated Appropriation Act of 2021, and the American Rescue Plan Act of 2021, all of which amended and extended the ERTC availability and guidelines under the CARES Act. The Organization applied for a total of $9,661,693 of tax credits under the ERTC program. $3,493,352 and $6,161,693 of the tax credits were recorded as support and revenue during the years ended June 30, 2023 and 2022, respectively, and all funds were paid by the Internal Revenue Service ("IRS") during the year ended June 30, 2023. The Organization fully believes it has met the qualification requirements under the program; however, the Organization's ERTC filings remain open to examination by the IRS.

15. Subsequent Events

Events occurring after June 30, 2024, the date of the most recent financial statements, have been evaluated for possible adjustments to the financial statements or disclosures through November 26, 2024, which is the date the financial statements were available to be issued.

Subsequent to year-end, the Organization purchased land in Volusia County for approximately $700,000 utilizing funds awarded from DJJ.

Supplementary Information

Pace Center for Girls, Inc. and Affiliates
Consolidating Statement of Financial Position
June 30, 2024

	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	$ 2,523,657	$ -	$ -	$ -	$ -	$ -	$ 2,523,657
Investments	7,723,376	-	-	-	-	-	7,723,376
Contracts and grants receivable	6,024,467	-	-	-	-	-	6,024,467
Pledges receivable - current (net of reserves of $22,709)	212,456	-	-	-	-	-	212,456
Due from affiliated entities	7,373,346	-	-	-	-	(7,373,346)	-
Prepaid expenses and other assets	915,411	-	-	-	-	-	915,411
Total current assets	24,772,713	-	-	-	-	(7,373,346)	17,399,367
Noncurrent assets							
Pledges receivable - long-term (net of reserves and discounts of $16,991)	162,940	-	-	-	-	-	162,940
Property and equipment, net	12,098,670	629,886	3,440,695	3,187,883	9,170,963	-	28,528,097
Operating lease right-of-use assets	3,781,940	-	-	-	-	-	3,781,940
Total noncurrent assets	16,043,550	629,886	3,440,695	3,187,883	9,170,963	-	32,472,977
Total Assets	**$ 40,816,263**	**$ 629,886**	**$ 3,440,695**	**$ 3,187,883**	**$ 9,170,963**	**$ (7,373,346)**	**$ 49,872,344**

See independent auditors’ report.

Pace Center for Girls, Inc. and Affiliates
Consolidating Statement of Financial Position (Continued)
June 30, 2024

	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							
Line of credit	$ 3,750,000	$ -	$ -	$ -	$ -	$ -	$ 3,750,000
Notes payable - current	-	-	169,645	-	25,227	-	194,872
Current portion of operating lease liabilities	1,125,687	-	-	-	-	-	1,125,687
Accounts payable and accrued expenses	1,923,230	-	-	-	-	-	1,923,230
Accrued payroll liabilities	4,284,837	-	-	-	-	-	4,284,837
Due to affiliated entities	-	485,416	251,102	587,233	6,049,595	(7,373,346)	-
Deferred revenue	100,622	-	-	-	-	-	100,622
Total current liabilities	11,184,376	485,416	420,747	587,233	6,074,822	(7,373,346)	11,379,248
Noncurrent Liabilities							
Notes payable, net of current portion and unamortized loan costs	-	-	2,214,528	-	985,259	-	3,199,787
Operating lease liabilities, net of current portion	2,161,910	-	-	-	-	-	2,161,910
Other liabilities	-	-	-	-	-	-	-
Total noncurrent liabilities	2,161,910	-	2,214,528	-	985,259	-	5,361,697
Total Liabilities	13,346,286	485,416	2,635,275	587,233	7,060,081	(7,373,346)	16,740,945
Net Assets							
Without donor restrictions	19,557,962	144,470	805,420	2,600,650	2,110,882	-	25,219,384
With donor restrictions	7,912,015	-	-	-	-	-	7,912,015
Total net assets	27,469,977	144,470	805,420	2,600,650	2,110,882	-	33,131,399
Total Liabilities and Net Assets	**$ 40,816,263**	**$ 629,886**	**$ 3,440,695**	**$ 3,187,883**	**$ 9,170,963**	**$ (7,373,346)**	**$ 49,872,344**

See independent auditors' report.

Pace Center for Girls, Inc. and Affiliates
Consolidating Statement of Activities
For the Year Ended June 30, 2024

	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 - State Departments of Juvenile Justice	$ 26,289,599	$ -	$ -	$ -	$ -	$ -	$ 26,289,599
Public grants - School Boards	8,920,933	-	-	-	-	-	8,920,933
Grants - other	10,162,665	-	-	-	-	-	10,162,665
Contributions	8,000,236	-	-	-	-	-	8,000,236
In-kind contributions	305,055	-	-	-	-	-	305,055
Interest and dividend income	229,259	-	-	-	-	-	229,259
Net realized and unrealized gains on investments	508,561	-	-	-	-	-	508,561
Other	11,571	8,657	311,763	-	73,966	(394,386)	11,571
Net assets released from restrictions	4,010,721	-	-	-	-	-	4,010,721
Total unrestricted support and revenue	58,438,600	8,657	311,763	-	73,966	(394,386)	58,438,600
Expenses							
Program services	48,448,344	30,119	313,241	168,031	122,729	(394,386)	48,688,078
Management and general	9,100,092	-	-	-	-	-	9,100,092
Fundraising	4,924,211	-	-	-	-	-	4,924,211
Total expenses	62,472,647	30,119	313,241	168,031	122,729	(394,386)	62,712,381
Change in net assets without donor restrictions	(4,034,047)	(21,462)	(1,478)	(168,031)	(48,763)	-	(4,273,781)

See independent auditors' report.

Pace Center for Girls, Inc. and Affiliates
Consolidating Statement of Activities (Continued)
For the Year Ended June 30, 2024

	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							
Public grants - State Departments of Juvenile Justice	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Public grants - School Boards	-	-	-	-	-	-	-
Grants - other	2,237,046	-	-	-	-	-	2,237,046
Contributions	3,024,554	-	50,000	-	-	-	3,074,554
In-kind contributions	-	-	-	-	-	-	-
Interest and dividend income	-	-	-	-	-	-	-
Net realized and unrealized gains	-						
on investments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total restricted support and revenue	5,261,600	-	50,000	-	-	-	5,311,600
Net assets released from restrictions	(4,010,721)	-	-	-	-	-	(4,010,721)
Change in net assets with donor restrictions	1,250,879	-	50,000	-	-	-	1,300,879
Change in total net assets	(2,783,168)	(21,462)	48,522	(168,031)	(48,763)	-	(2,972,902)
Net assets, beginning of the year	30,253,145	165,932	756,898	2,768,681	2,159,645	-	36,104,301
Net assets, end of the year	**$ 27,469,977**	**$ 144,470**	**$ 805,420**	**$ 2,600,650**	**$ 2,110,882**	**$ -**	**$ 33,131,399**

See independent auditors' report.

Single Audit Reporting

Pace Center for Girls, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2024

Federal / State Agency / Pass-Through Entity / Federal Program / State Project	Assistance Listing Number	Contract/ Grant Number	Federal Expenditures	State Expenditures
FEDERAL PROGRAMS:				
U.S. DEPARTMENT OF JUSTICE				
Passed through Office of Juvenile Justice and Delinquency Prevention				
Reducing Reliance on Secure Placement and Improving Community-Based Responses for Girls-At-Risk of Entering the Juvenile Justice System	16.830	2020-MU-FX-0001	$ 87,925	$ -
Reducing Risk for Girls		15JDP-23-GG-00777-GJSX	103,884	-
Subtotal - U.S. Department of Justice			191,809	-
U.S. DEPARTMENT OF AGRICULTURE - CHILD NUTRITION CLUSTER				
Passed through State Department of Education				
National School Breakfast and Lunch Program	10.553/10.555/10.579	01-371	628,968	-
U.S. DEPARTMENT OF EDUCATION				
Passed through Florida Department of Education				
Evidence-Based Intervention Strategies and Programs Addressing Learning Loss in DJJ Schools; American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	163-1211U-3PR01	7,227,784	-
Innovative Approaches to Literacy; Full-Service Community School; and Promise Neighborhood	84.215K	S215K220098	74,648	-
Innovative Approaches to Literacy; Full-Service Community School; and Promise Neighborhood	84.215K	S215K230147.1.1	151,543	-
Innovative Approaches to Literacy; Full-Service Community School; and Promise Neighborhood	84.215K	S215K230148.1.1	134,086	-
Innovative Approaches to Literacy; Full-Service Community School; and Promise Neighborhood	84.215K	S215K230149.1.1	216,920	-
Innovative Approaches to Literacy; Full-Service Community School; and Promise Neighborhood	84.215K	S215K230151.1.1	138,670	-
Passed through School Board of Alachua County				
Title 1 Grants to Local Educational Agencies	84.010		26,422	-
Passed through School Board of Clay County				
Title 1 Grants to Local Educational Agencies	84.010		9,287	-
Passed through School Board of Collier County				
Title 1 Grants to Local Educational Agencies	84.010	184280	37,799	-
Passed through School Board of Escambia County				-
Title 1 Grants to Local Educational Agencies	84.010		12,051	
Passed through School Board of Leon County				
Title 1 Grants to Local Educational Agencies	84.010	1503	23,897	-
Passed through School Board of Volusia County				
Title 1 Grants to Local Educational Agencies	84.010		30,985	-
Subtotal - U.S. Department of Education			8,084,092	-

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Pace Center for Girls, Inc. and Affiliates
Schedule of Expenditures of Federal Awards and State Financial Assistance (Continued)
For the Year Ended June 30, 2024

Federal / State Agency / Pass-Through Entity / Federal Program / State Project	Assistance Listing Number	Contract/ Grant Number	Federal Expenditures	State Expenditures
U.S. DEPARTMENT OF TREASURY -				
Passed through United Way of Lee County				
Covid-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-2390	117,725	-
Total Expenditures of Federal Awards			$ 9,022,594	$ -
STATE PROJECTS:				
FLORIDA DEPARTMENT OF JUVENILE JUSTICE				
PACE Center for Girls - Prevention and Victim Services	80.007	X100810	$ -	$ 24,198,448
PACE Center for Girls - Prevention and Victim Services - Hernando Building	80.007	10728	-	528,107
PACE Center for Girls - Prevention and Victim Services - Pasco Building	80.007	10764	-	926,834
PACE Center for Girls - Prevention and Victim Services - Citrus Building	80.007	10763	-	86,211
Total Expenditures of Federal Awards and State Financial Assistance			$ 9,022,594	$ 25,739,600

See notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

Pace Center for Girls, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state grant activity of Pace Center for Girls, Inc. and Affiliates (the "Organization") for the year ended June 30, 2024.

The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and 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 and are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. Pass-Through Awards

The Organization received certain federal awards and state financial assistance 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 federal awards and state financial assistance to other entities.

4. Indirect Cost Rate

The Organization has negotiated to use 26.22% for grants and contracts with the U.S. Department of Justice and other Federal agencies to which 2 CFR 200 Subpart E applies and has elected the 10% de minimis indirect cost rate as allowed under the Uniform Guidance and Chapter 10.650, for remaining federal awards, unless otherwise specifically required by the applicable grant agreement.

5. 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.

6. Program Clusters

The U.S. Office of Management and Budget *Compliance Supplement* defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. There was one program that met this criterion for the current fiscal year, Assistance Listing Number 10.553/10.555/10.579 – Child Nutrition Cluster.

Warren Averett
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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, 2024, 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 November 26, 2024.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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.

Warren Averett, LLC

Tampa, Florida
November 26, 2024

Warren Averett
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Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the *Uniform Guidance* and 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 Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Pace Center for Girls, Inc. and Affiliates' (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the 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 federal programs and state projects for the year ended June 30, 2024. The Organization's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 federal programs and state projects for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

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 Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the State of Florida Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

Warren Averett, LLC

Tampa, Florida
November 26, 2024

Pace Center for Girls, Inc. and Affiliates
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued				Unmodified
Internal control over financial reporting:				
Material weakness(es) identified?	Yes		No	✓
Significant deficiency(ies) identified?	Yes		None Reported	✓
Non-compliance material to financial statements noted?	Yes		No	✓

Federal and State Awards

Internal control over major federal awards:				
Material weakness(es) identified?	Yes		No	✓
Significant deficiency(ies) identified?	Yes		None Reported	✓
Internal control over major state projects:				
Material weakness(es) identified?	Yes		No	✓
Significant deficiency(ies) identified?	Yes		None Reported	✓
Type of auditors' report issued on compliance for major federal awards and major state projects				Unmodified
Any audit findings disclosed that are to be reported in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the State of Florida Auditor General*?	Yes		No	✓

Identification of major programs:

Federal Assistance Listing Number	Name of Federal Program
84.425U	Evidence-Based Intervention Strategies and Programs Addressing Learning Loss in DJJ Schools; American Rescue Plan Elementary and Secondary School Emergency Relief Fund

State Assistance Listing Number	Name of State Project
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 federal programs				$ 750,000
Dollar threshold used to distinguish between Type A and Type B major state projects				$ 750,000
Auditee qualified as low-risk auditee?	Yes	✓	No	

See independent auditors' report.

Pace Center for Girls, Inc. and Affiliates
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

Section IV - State Project Findings and Questioned Costs

None

Section V – Other Issues

There were no prior audit findings on compliance for each major program, or internal control over compliance, with the requirements described in Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and 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.