

# PACE Center for Girls, Inc., and Related Entities

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
PACE Center for Girls, Inc.,  
and Related Entities

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of PACE Center for Girls, Inc. (a nonprofit organization) and its related entities (collectively referred to herein as the "Organization"), which comprise the combined statement of financial position as of June 30, 2014, and the related combined statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, Rules of the Auditor General, and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Report on Summarized Comparative Information***

We have previously audited the Organization's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2014 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 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.

*Carr, Riggs & Ingram, L.L.C.*

Gainesville, Florida  
September 30, 2014

PACE Center for Girls, Inc., and Related Entities

Combined Statement of Financial Position  
June 30, 2014

	2014	(For Comparative Purposes Only) 2013
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,801,977	\$ 5,779,257
Investments	4,662,176	5,235,610
Contracts and grants receivable (net of reserves of \$41,355 as of June 30, 2014)	2,295,731	2,839,307
Pledges receivable, current (net of reserves of \$258,292 as of June 30, 2014)	532,077	923,110
Prepaid expenses and other assets	256,575	196,850
<b>Total current assets</b>	<b>10,548,536</b>	<b>14,974,134</b>
Noncurrent assets:		
Investments	2,978,983	-
Pledges receivable, long-term	288,029	538,752
Land, building, and equipment, net	12,175,991	10,675,475
Intangible assets, net	10,964	19,411
<b>Total noncurrent assets</b>	<b>15,453,967</b>	<b>11,233,638</b>
<b>Total assets</b>	<b>\$ 26,002,503</b>	<b>\$ 26,207,772</b>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,197,729	\$ 2,572,478
Deferred revenue	207,670	39,948
Notes payable, current	129,803	59,666
<b>Total current liabilities</b>	<b>2,535,202</b>	<b>2,672,092</b>
Long-term debt:		
Notes payable	559,790	670,045
<b>Total liabilities</b>	<b>3,094,992</b>	<b>3,342,137</b>
Net assets:		
Unrestricted	16,838,520	16,715,049
Temporarily restricted	6,068,991	6,150,586
<b>Total net assets</b>	<b>22,907,511</b>	<b>22,865,635</b>
<b>Total liabilities and net assets</b>	<b>\$ 26,002,503</b>	<b>\$ 26,207,772</b>

See accompanying notes.

PACE Center for Girls, Inc., and Related Entities

Combined Statement of Activities  
Year ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total All classes	
			2014	(For Comparative Purposes Only) 2013
<b>Support and Revenue</b>				
Public grants - DJJ	\$ 13,643,405	\$ -	\$13,643,405	\$ 11,585,780
Public grants - school board	5,557,740	-	5,557,740	5,556,132
Grants - other	1,731,712	3,420,304	5,152,016	3,819,808
Contributions	1,637,168	918,590	2,555,758	3,660,142
In-kind contributions	411,779	-	411,779	879,926
Special events	806,198	-	806,198	885,381
Investment income	294,234	119,897	414,131	30,512
Other income	15,731	-	15,731	96,956
Net assets released from restrictions	4,540,386	(4,540,386)	-	-
<b>Total support and revenue</b>	<b>28,638,353</b>	<b>(81,595)</b>	<b>28,556,758</b>	<b>26,514,637</b>
<b>Expenses</b>				
Program services	22,026,590	-	22,026,590	19,580,968
Management and general	5,077,746	-	5,077,746	2,783,500
Fundraising	1,410,546	-	1,410,546	1,929,098
<b>Total expenses</b>	<b>28,514,882</b>	<b>-</b>	<b>28,514,882</b>	<b>24,293,566</b>
<b>Change in net assets</b>	<b>123,471</b>	<b>(81,595)</b>	<b>41,876</b>	<b>2,221,071</b>
<b>Net assets - beginning of year</b>	<b>16,715,049</b>	<b>6,150,586</b>	<b>22,865,635</b>	<b>20,644,564</b>
<b>Net assets - end of year</b>	<b>\$ 16,838,520</b>	<b>\$ 6,068,991</b>	<b>\$ 22,907,511</b>	<b>\$ 22,865,635</b>

See accompanying notes.

PACE Center for Girls, Inc., and Related Entities

Combined Statement of Cash Flows  
Year ended June 30, 2014

	(For Comparative Purposes Only)	
	2014	2013
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 41,876	\$ 2,221,071
Adjustments to reconcile change in net assets to		
Net cash provided by operating activities:		
Depreciation	826,159	687,620
Amortization	8,447	4,921
Loss on disposal of equipment	357	-
Unrealized gain on investments	(154,837)	-
Gain on sales of investments	(42,663)	-
In-kind contributions of capital assets	(293,130)	(692,498)
Bad debt expense	223,511	208,101
Amortization of premium/discount on investments (net)	32,688	-
Change in:		
Contracts and grants receivable	320,065	(256,179)
Pledges receivable	641,756	(229,643)
Prepaid expenses and other assets	(59,725)	(48,016)
Accounts payable and accrued expenses	(374,749)	490,109
Deferred revenue	167,722	11,705
<b>Net cash provided by operating expenses</b>	<b>1,337,477</b>	<b>2,397,191</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	10,515,444	4,549,696
Purchases of investments	(12,756,182)	(4,098,771)
Purchases of property and equipment	(2,033,901)	(1,741,562)
<b>Net cash used in investing activities</b>	<b>(4,274,639)</b>	<b>(1,290,637)</b>
<b>Cash flows from financing activities</b>		
Proceeds of long-term debt	55,003	-
Principal repayments of long-term debt	(95,121)	(67,619)
<b>Net cash used in financing activities</b>	<b>(40,118)</b>	<b>(67,619)</b>
<b>Net change in cash</b>	<b>(2,977,280)</b>	<b>1,038,935</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>5,779,257</b>	<b>4,740,322</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,801,977</b>	<b>\$ 5,779,257</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 28,704	\$ 38,998
<b>Noncash investing and financing activities:</b>		
In-kind contributions of capital assets	\$ 293,130	\$ 692,498

See accompanying notes.

PACE Center for Girls, Inc., and Related Entities

Combined Statement of Functional Expenses  
Year ended June 30, 2014

	Program Services	Management and General	Fundraising	Total All Classes	
				2014	(For Comparative Purposes Only) 2013
Salaries	\$12,516,692	\$ 2,559,107	\$ 749,654	\$15,825,453	\$ 13,629,713
Payroll taxes & employee benefits	2,713,818	381,966	145,568	3,241,352	3,228,419
Employee training & recruiting	274,587	272,175	35,535	582,297	333,149
Contracted personnel	139,054	147,340	-	286,394	168,028
<b>Total personnel</b>	<b>15,644,151</b>	<b>3,360,588</b>	<b>930,757</b>	<b>19,935,496</b>	<b>17,359,309</b>
Occupancy	2,729,650	341,226	77,751	3,148,627	2,451,434
Equipment	592,104	402,085	12,572	1,006,761	795,082
Vehicle	223,452	52,092	29	275,573	205,259
Insurance	135,304	12,094	-	147,398	142,002
Professional fees	486,733	141,851	26,151	654,735	352,384
Materials & supplies	193,155	79,814	5,103	278,072	223,880
Trustees & director expenses	45	14,055	7,298	21,398	25,239
Outreach & public education	72,900	10,333	7,661	90,894	25,444
Student costs	1,018,445	67,644	4,137	1,090,226	1,104,904
Travel	152,036	266,225	3,361	421,622	294,076
Special events	194	4,535	293,215	297,944	275,499
In-kind expenses	-	5,905	42,106	48,011	-
Depreciation & amortization	546,431	283,078	-	829,509	692,541
Interest	23,965	209	405	24,579	38,929
Other	208,025	36,012	-	244,037	307,584
<b>Total expenses</b>	<b>\$22,026,590</b>	<b>\$ 5,077,746</b>	<b>\$ 1,410,546</b>	<b>\$28,514,882</b>	<b>\$ 24,293,566</b>

See accompanying notes.

# PACE Center for Girls, Inc., and Related Entities

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Activities*

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 agency 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, Collier, Dade, Duval, Escambia-Santa Rosa, Hillsborough, Lee, Leon, Manatee, Marion, Orange, Palm Beach, Pasco, Pinellas, Polk, Santa Rosa, St. Lucie, and Volusia.

PACE-THC, Inc. (PACE-THC) is an affiliated not-for-profit organization incorporated in 1995. Its purpose is to hold title to property 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 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-THC, Inc. (PACE COLLIER-THC) is an affiliated not-for-profit organization incorporated 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 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.

#### *Basis of Presentation*

The accompanying combined financial statements include the accounts and activities of PACE, PACE-THC, PACE BROWARD-THC, PACE COLLIER-THC, and PACE ALACHUA-THC, collectively referred to herein as the "Organization." PACE-THC, PACE BROWARD-THC, PACE COLLIER-THC, and PACE ALACHUA-THC provide financial and other support services and programs to the Organization. All significant intercompany accounts and transactions have been eliminated.

# PACE Center for Girls, Inc., and Related Entities

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Financial Statement Presentation***

In conformity with generally accepted accounting principles, 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 are free of donor imposed restrictions; all revenues, expenses, gains, and losses that are not changes in temporarily or permanently restricted net assets. Unrestricted net assets include assets available for education and general activities, which account for all the income and expenses of normal operations. Unrestricted net assets also include revenues and expenses associated with federal, state and local grants. Unrestricted net assets also include land, land improvements, buildings, and equipment.
- *Temporarily restricted* net assets include gifts for which donor imposed restrictions have not been met and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted. Temporarily restricted net assets also include matching contributions received from private, non-governmental sources.
- *Permanently restricted* net assets include gifts and pledges which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

#### ***Summarized Comparative Information***

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

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

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

#### ***Pledges***

Unconditional promises to give are recorded as pledges receivables and contribution revenue when received. All pledges are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

# PACE Center for Girls, Inc., and Related Entities

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Investments*

Investments are stated at fair value based on quoted market prices. The net unrealized increase or decrease in fair value is recognized in the accompanying statement 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 United States 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.

#### *Land, Building, and Equipment*

Land, building, and equipment is recorded at historical cost, or fair value at the date of donation. Computer equipment and infrastructure in excess of \$2,000 and all other land, building and equipment in excess of \$2,500 is 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:

Buildings	20 years
Furniture and equipment	3-5 years
Automobiles	5 years
Leasehold improvements	5-20 years

#### *Restricted and Unrestricted Revenue and Support*

In conformity with generally accepted accounting principles, 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 purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the Statement 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 combined financial statements at the date of the receipt.

# PACE Center for Girls, Inc., and Related Entities

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Public Grants***

Public grants from government 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 is 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.

#### ***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-THC, and PACE ALACHUA-THC are private not-for-profit corporations as described in Section 501(c)(2). As such, all will be exempt from federal and state income taxes on related income pursuant to Section 401(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

The Organization has determined that there are no uncertain tax positions that require recognition or disclosure in the accompanying financial statements. Tax years that remain subject to examination by major tax jurisdictions are 2010 and forward.

#### ***Functional Expense Allocation***

The costs of providing program and management activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### ***Concentration of Credit Risks***

The Organization's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents and investments. The Organization places its cash and cash equivalents and investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance or SIPC insurance limits.

#### ***Financial Statement Estimates***

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Subsequent Events***

The Organization considers events that occur subsequent to the balance sheet date but before the Organization's financial statements are available to be issued. The Organization has evaluated subsequent events through September 30, 2014, the date the financial statements were available to be issued.

***Reclassifications***

Certain amounts from the 2013 combined statements of financial position, activities, and cash flows have been reclassified to conform to the current year presentation.

**NOTE 2 – PLEDGES RECEIVABLE**

Pledges receivable are comprised of unconditional promises to give with collection periods through June 30, 2024. Pledges are recorded after discounting to the present value of future cash flows, using a risk free interest rate of 4%. At June 30, 2014, pledges receivable are as follows:

Receivable in less than one year	\$ 725,684
Receivable in one to five years	388,635
Receivable in more than five years	4,200
	1,118,519
Less discounts to net present value	(40,071)
Less allowance for doubtful accounts	(258,342)
	\$ 820,106

**NOTE 3 – INVESTMENTS**

Investments are summarized below:

	<b>2014</b>
Mutual funds	\$ 3,174,865
U.S. Government Treasury notes	2,016,028
U.S. Government-backed mortgage-backed securities	1,514,762
Certificates of Deposit	-
Florida PRIME investment pool	600,455
Short-term Federated government obligations	319,023
Other short-term investments	16,026
	\$ 7,641,159
Short-term investments	\$ 4,662,176
Long-term investments	2,978,983

# PACE Center for Girls, Inc., and Related Entities

## Notes to Financial Statements

### NOTE 3 – INVESTMENTS (CONTINUED)

Short-term investments are classified as current assets in the accompanying financial statements and have stated maturity dates prior to June 30, 2015. These assets are, by nature, liquid and can be redeemed at any time without penalty. All other investments are classified as long-term. The Organization has invested money with the Florida State Board of Administration's PRIME investment pool (the "pool"). The pool is reported at amortized cost and received an AAAM rating by Standard and Poors.

### NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization applies generally accepted accounting principles for fair value measurements of financial assets and liabilities. These accounting principles define fair value and establish a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Values measured using quoted prices in active markets for identical investments.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following is a summary of the levels within the fair value hierarchy for the Organization's assets measured at fair value on a recurring basis as of June 30, 2014:

	Level 1	Level 2	Level 3	Total
Mutual Funds - Equity	\$ 2,446,308	\$ -	\$ -	\$ 2,446,308
Mutual Funds - Diversifying	440,521			440,521
Mutual Funds - Fixed Income	161,626			161,626
Mutual Funds - Other	126,410			126,410
U.S. Government Obligations	3,530,790	-	-	3,530,790
<b>Total</b>	<b>\$ 6,705,655</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,705,655</b>

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

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**NOTE 5 – LAND, BUILDING, AND EQUIPMENT**

Major classes of land, building, and equipment and accumulated depreciation are as follows:

Land	\$ 1,630,062
Building	14,556,812
Furniture and equipment	2,053,606
Automotive equipment	521,844
Leasehold improvements	992,576
	<hr/>
	19,754,900
Less accumulated depreciation	(7,578,909)
	<hr/>
Total	\$ 12,175,991

Depreciation expense for the year ended June 30, 2014 was \$826,160.

During the year ended June 30, 2014, PACE transferred land, building and equipment in the amount of \$1,201,265 to PACE COLLIER-THC.

**NOTE 6 – INTANGIBLE ASSETS**

Intangible assets are summarized below:

Financing costs	\$ 42,370
Less accumulated amortization	(31,406)
	<hr/>
Intangible assets, net	\$ 10,964

Amortization expense for the year ended June 30, 2014 was \$8,447.

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

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**NOTE 7 – NOTES PAYABLE**

Notes payable consist of the following:

Note Payable (PACE-THC) dated December 12, 2007, with a bank for the Organization's Manatee facility. Monthly payments of \$2,865 including interest at the bank's index rate plus 1.82% (6.61% at June 30, 2011) with a maturity date of December 12, 2017. The note is subject to various financial covenants, which the Organization was in compliance with at June 30, 2014.	\$ 106,868
Note Payable (PACE ALACHUA-THC) dated December 17, 2012, with BB&T for the Organization's Alachua facility. Monthly payments are \$3,757. The loan has a 4.75% interest rate and matures on December 5, 2027.	446,775
Note Payable (PACE) dated October 31, 2013, with BB&T for the Organization's Lee facility. Mortgage is at a variable rate of 3.25% with interest only payment until the maturity date of October 5, 2014. The note is subject to various financial covenants, which the Organization was in compliance with at June 30, 2014.	45,406
Note Payable (PACE COLLIER-THC) dated February 23, 2007 with a bank for the Organization's Collier facility. Payments of interest at 6.8% due through January 1, 2008, and then monthly payments of \$3,110, including principal and interest, beginning March 1, 2008 with a maturity date of February 1, 2017. The note is secured by the land, building, and its contents. The note is subject to various financial covenants, which the Organization was in compliance with at June 30, 2014.	90,544
	<hr/> 689,593
Less current portion	129,803
	<hr/>
Notes payable, long-term	\$ 559,790

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

**NOTE 7 – NOTES PAYABLE (CONTINUED)**

2015		\$	129,803
2016			89,802
2017			82,928
2018			44,751
2019			29,367
Thereafter			312,942
<b>Total</b>			<b>\$ 689,593</b>

**NOTE 8 – LEASE COMMITMENTS**

The Organization generally leases its facilities under long-term operating leases, which range from one to seven 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 fair rent. The following is a summary of rental expenses for the year ended June 30, 2014:

Rent based upon lease terms		\$ 1,391,367
In-kind contributions		66,503
<b>Total</b>		<b>\$ 1,457,870</b>

In addition, the Organization leases various office equipment ranging from \$70 to \$781 per month, expiring in various years through 2017.

Under the terms of all of these non-cancelable operating leases, the scheduled aggregate minimum lease payments as of June 30, 2014 were as follows:

2015		\$	1,503,085
2016			1,029,879
2017			770,097
2018			379,023
2019			290,204
Thereafter			315,924
<b>Total</b>			<b>\$ 4,288,212</b>

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

**NOTE 9 – IN-KIND CONTRIBUTIONS**

The following is a summary of in-kind contributions which are recorded as revenue and related expenses in the combined financial statements:

	Revenues	Expenses	Capital Asset Acquisitions
Building rent	\$ 66,503	\$ 66,503	\$ -
Equipment	293,130	-	293,130
Student costs	800	800	-
Personnel services	3,200	3,200	-
Special events	41,181	41,181	-
Office supplies	5,535	5,535	-
Professional fees	1,430	1,430	-
<b>Total</b>	<b>\$ 411,779</b>	<b>\$ 118,649</b>	<b>\$ 293,130</b>

**NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets represent cash and pledges received primarily for capital or program specific purposes. As of June 30, 2014, temporarily restricted net assets, by center location, consisted of the following:

Center	Funding Source	Amount
Alachua	Capital Campaign	\$ 131,749
	Plum Creek	9,493
Broward	Capital Campaign - Building Fund	1,098,907
	FDLE	22,838
	GED	20,240
	Moran Scholarship	9,617
	Student Costs Fund	14,214
	Student Kitchen Project	56,200
	Therapist Services	59,491
	United Way	1,175
	Women's Executive Club	3,870
	Collier	Arthrex
Breakfast and Books		2,032
Capital Campaign		147,182
Diermeier Family Foundation		2,238
Executive Women's Golf Association		6,883
Forum Scholarship Fund		1,841
Health and Wellness		43,958
League Club		4,508
Martin Foundation		7,832
Mimi Foundation		16,210
Spirited Girls	6,172	

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

**NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

Center	Funding Source	Amount
	Stranahan Fund Transitional Service	6,967
	Student Costs Fund	17,912
	Trinity	4,012
	Zonta	2,288
Dade	Florida Blue Foundation	45,000
	Student Costs	18,984
Escambia-Santa Rosa	Capital Campaign	2,492,478
	Gannett Foundation	8,672
	Bank of America	990
	Health and Wellness	1,035
	Switzer Scholarship	16,913
Jacksonville	AT&T Pioneer Scholarships	918
	Bank of America	754
	Capital Campaign - Building Fund	556,606
	Hope Fund	1,456
	Murray Family Scholarship Fund	1,714
	Pilot Club	600
	Straight Talk Health Clinic	180,262
	Thompson Scholarship	115,350
	Jaguars Foundation	33,869
	Transition Services	122,036
	Uptown Civitan	1,484
Lee	Capital Campaign	15,405
	Zonta	513
Leon	Beatitude	10,386
	Executive Consulting	4,086
	Student Costs	1,398
	United Way	8,833
Manatee	Capital Campaign	11,000
	Community Foundation	2,000
	Kates Foundation	1,950
	Student Costs Fund	8,693
	Teen Pregnancy Prevention	897
	United Way	10,258
Marion	CNA Scholarship	500
	Student Costs	3,258
Orange	United Way	5,518
Palm Beach	Jim Moran Foundation	7,969
	Kavoras	5,001
	Spirited Girls Foundation	25,000
	Spirited Girls Love Light	6,104
	Student Costs Fund	8,830
	Student Culinary Program	882
	WEC	10,000

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

**NOTE 10 – TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

Center	Funding Source	Amount
Pasco	Reading Rocks	2,596
	United Way	7,500
Pinellas	Dillinger Scholarship Fund	32,057
	Eckerd Scholarships	30,719
	Staff Support	5,400
Polk	Jenkins Fund	8,053
	Student Costs Fund	2,115
State Office	Buffet Foundation	249,474
	Darden Restaurants, Inc. Foundation	25,000
	Michael & Kim Ward Foundation	34,016
	P Magnone Scholarship Fund	3,470
	Social Innovation Fund	83,337
Treasure Coast	Social Innovation Fund Indirect	41,320
	Energy Student Costs	521
	Student Costs Fund	126
Volusia-Flagler	Transition Services	41,640
	Capital Campaign	10,237
	County Grant	2,364
<b>Total temporarily restricted</b>		<b>\$ 6,068,991</b>

**NOTE 11 – ASSETS RELEASED FROM DONOR RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

Purpose restrictions accomplished:	
Specific agency programs	\$ 3,268,570
Capital improvements	1,271,816
<b>Total restrictions released</b>	<b>\$ 4,540,386</b>

**NOTE 12 – EMPLOYEE BENEFIT PLAN**

Effective July 1, 1994, the Organization established a defined contribution benefit plan (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 in an amount up to 3% of a participant's compensation. The Organization's contribution to the Plan was \$159,095 for the year ended June 30, 2014.

PACE Center for Girls, Inc., and Related Entities

Notes to Financial Statements

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**NOTE 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. Accordingly, there is no guarantee that such funding will continue. In addition, title to all property and equipment acquired with DJJ funding vests with DJJ upon completion or termination of the related contracts. DJJ property and equipment with a net book value of \$61,634 at June 30, 2014, is included in land, building, and equipment on the accompanying combined statement of financial position.

**NOTE 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 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. After discussion with counsel, it is the opinion of management that the outcome of such matters will not have a material adverse impact on the combined financial position, changes in net assets, or cash flows of the Organization.

**Supplementary Information**

**PACE Center for Girls, Inc. and Related Entities**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Year ended June 30, 2014**

Federal/State Grantor/Pass-Through Grantor/Federal Program/State Project	CSFA Number	Contract Number	Federal Expenditures	State Expenditures	Local Expenditures
<b>FEDERAL PROGRAMS</b>					
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE</b> Passed through the Edna McConnell Clark Foundation Social Innovation Fund	94,019	2013-14	\$ 625,000		
<b>U.S. DEPARTMENT OF JUSTICE</b> Passed through the FDLE and Broward County, Florida Edward Byrne Memorial Justice Assistance Program	16,738	2014-BARC-BYRNE/JAG-8252-00	18,247		
<b>U.S. DEPARTMENT OF HEALTH and HUMAN SERVICES</b> Passed through State Department of Children and Families Block Grants for Prevention and Treatment of Substance Abuse	83,959	2013-2014-DFC-BROW-JD260-23	37,841		
<b>U.S. DEPARTMENT OF AGRICULTURE</b> Passed through State Department of Education National School Breakfast Program	10,553	01-0374	54,229		
National School Lunch Program	10,555	01-0374	297,452		
<b>U.S. DEPARTMENT OF EDUCATION</b> Passed through Alachua County School Board Title 1 Grants to Local Educational Agencies	84,010	FYE 2014	11,247		
Passed through School Board of Broward County Title 1 Grants to Local Educational Agencies	84,010	FYE 2014	25,000		
Passed through School Board of Collier County Title 1 Grants to Local Educational Agencies	84,010	FYE 2014	11,582		
Passed through School Board of Marion County Title 1 Grants to Local Educational Agencies	84,010	FYE 2014	11,632		
Passed through School Board of Leon County Title 1 Grants to Local Educational Agencies	84,010	FYE 2014	17,425		
Passed through School Board of Volusia County Title 1 Grants to Local Educational Agencies	84,010	FYE 2014	26,544		
			103,430		
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b> Passed through the City of Tallahassee Community Development Block Grants	14,218	FYE 2013-2014	16,875		
Community Development Block Grants	14,218	FYE 2012-2013	2,800		
			19,675		

See accompanying notes to schedule.

**PACE Center for Girls, Inc. and Related Entities**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Year ended June 30, 2014**

Federal/State Grantor/Pass-Through Grantor/Federal Program/State Project	CSFA Number	Contract Number	Federal Expenditures	State Expenditures	Local Expenditures
<b>STATE PROJECTS</b>					
FLORIDA DEPARTMENT OF JUVENILE JUSTICE: Pace Center for Girls - Prevention and Victim Services	80.007	X10051		\$ 13,643,405	
<b>LOCAL ASSISTANCE</b>					
Passed through the City of Jacksonville, Florida: Jacksonville Children's Commission		7000-30			\$ 150,000
<b>LOCAL GRANTS:</b>					
Children's Services Council of Broward County (3 yr); Children's Services Council of St. Lucie Children's Services Council of St. Lucie		10-2812 N/A 13-14 N/A 12-13			105,366 54,150 16,717
Leon County Board of County Commissioners Leon County Board of County Commissioners Manatee Board of County Commissioners Manatee Board of County Commissioners		N/A 2013-2014 N/A 2012-2013 TPP (13-14) TPP (12-13)			18,580 40,954 135,292 35,151
Pinellas County Alcohol and Drug Abuse Trust Fund Volusia County Children and Family Services Volusia County Children and Family Services		FY 2013-2014 CS2018 (13-14) CS2038 (12-13)			9,000 23,354 8,572
<b>Total Expenditures of Federal Awards, State Financial Assistance and Local Assistance</b>			<b>\$ 1,155,874</b>	<b>\$ 13,643,405</b>	<b>\$ 597,138</b>

See accompanying notes to schedule.

PACE Center for Girls, Inc., and Related Entities

Notes to Schedule of Expenditures of Financial Awards and State Financial Assistance

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**NOTE 1 – BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of financial awards and state financial assistance includes the federal, state, and local grant activity of PACE Center for Girls, Inc., and its related entities, and is prepared on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the requirements described in the State Projects Compliance Supplement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic 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.

PACE Center for Girls, Inc., and Related Entities

Schedule of Source and Expenditure of City Grant Funds  
Per Ordinance Code Chapter 118.208(e)

City of Jacksonville Public Service Grants for fiscal year 2013/2014 audit

Receipt of city funds

City  
FY 2013-2014  
Grant #7000-30

Amount of award (per city budget ordinance)	\$ 150,000
Prior year carry forward funds	-
Actual funds received from city in last audit period	-
Actual amount received this period	(108,561)
<b>Amount remaining to be distributed</b>	<b>\$ 41,439</b>

Expenditure of city funds

City FY 2013-2014 Grant #7000-30 - \$150,000

Item	Budgeted	Actual 7/1/2013 - 9/30/2013	Actual 10/1/2013 - 6/30/2014	Total Actual	Remaining Balance
Salaries	\$ 138,417	\$ 33,171	\$ 102,670	\$ 135,841	\$ 2,576
Indirect costs	11,111	3,702	7,409	11,111	-
Transportation	472	-	3,048	3,048	(2,576)
<b>Total</b>	<b>\$ 150,000</b>	<b>\$ 36,873</b>	<b>\$ 113,127</b>	<b>\$ 150,000</b>	<b>\$ -</b>

PACE Center for Girls, Inc., and Related Entities

Notes to Schedule of Source and Expenditure of City Grant Funds

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**NOTE 1 – BASIS OF ACCOUNTING**

The accompanying 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 financial statements.

PACE Center for Girls, Inc., and Related Entities

Combining Schedule of Financial Position  
June 30, 2014

	PACE Center for Girls, Inc.	PACE - THC, Inc.	PACE Broward - THC, Inc.	PACE Collier - THC Inc.	PACE Alachua - THC, Inc.	Elimination	Total
<b>Assets</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 2,770,120	\$ 19,343	\$ -	\$ 4,179	\$ 8,335	\$ -	\$ 2,801,977
Investments	4,662,176	-	-	-	-	-	4,662,176
Contracts and grants receivable	2,295,731	-	-	-	-	-	2,295,731
Pledges receivable, current	532,077	-	-	-	-	-	532,077
Prepaid expenses and other assets	256,568	7	-	-	-	-	256,575
Due from affiliated entities	971,523	-	-	-	-	(971,523)	-
<b>Total current assets</b>	<b>11,488,195</b>	<b>19,350</b>	<b>-</b>	<b>4,179</b>	<b>8,335</b>	<b>(971,523)</b>	<b>10,548,536</b>
Investments	2,978,983	-	-	-	-	-	2,978,983
Pledges receivable, long-term portion	288,029	-	-	-	-	-	288,029
Land, building and equipment, net	3,501,443	1,198,792	1,649,192	5,030,086	796,478	-	12,175,991
Intangible assets, net	-	1,385	-	9,579	-	-	10,964
<b>Total assets</b>	<b>\$ 18,256,650</b>	<b>\$ 1,219,527</b>	<b>\$ 1,649,192</b>	<b>\$ 5,043,844</b>	<b>\$ 804,813</b>	<b>\$ (971,523)</b>	<b>\$ 26,002,503</b>
<b>Liabilities and net assets</b>							
<b>Current liabilities:</b>							
Accounts payable and accrued expenses	\$ 2,195,888	\$ 368	\$ -	\$ -	\$ 1,473	\$ -	\$ 2,197,729
Due to affiliated entities	-	285,107	387,714	101,945	196,757	(971,523)	-
Deferred revenue	207,670	-	-	-	-	-	207,670
Notes payable, current	45,406	28,161	-	32,142	24,094	-	129,803
<b>Total current liabilities</b>	<b>2,448,964</b>	<b>313,636</b>	<b>387,714</b>	<b>134,087</b>	<b>222,324</b>	<b>(971,523)</b>	<b>2,535,202</b>
Notes payable	-	78,707	-	58,401	422,682	-	559,790
<b>Total liabilities</b>	<b>2,448,964</b>	<b>392,343</b>	<b>387,714</b>	<b>192,488</b>	<b>645,006</b>	<b>(971,523)</b>	<b>3,094,992</b>
<b>Net assets:</b>							
Unrestricted	9,738,695	827,184	1,261,478	4,851,356	159,807	-	16,838,520
Temporarily restricted	6,068,991	-	-	-	-	-	6,068,991
<b>Total net assets</b>	<b>15,807,686</b>	<b>827,184</b>	<b>1,261,478</b>	<b>4,851,356</b>	<b>159,807</b>	<b>-</b>	<b>22,907,511</b>
<b>Total liabilities and net assets</b>	<b>\$ 18,256,650</b>	<b>\$ 1,219,527</b>	<b>\$ 1,649,192</b>	<b>\$ 5,043,844</b>	<b>\$ 804,813</b>	<b>\$ (971,523)</b>	<b>\$ 26,002,503</b>

PACE Center for Girls, Inc., and Related Entities

Combining Schedule of Activities  
June 30, 2014

	PACE Center for Girls, Inc.	PACE - THC, Inc.	PACE Broward - THC, Inc.	PACE Collier - THC Inc.	PACE Alachua - THC, Inc.	Elimination	Total
<b>Unrestricted support and revenue</b>							
Public grants - DJJ	\$ 13,643,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,643,405
Public grants - school board	5,557,740	-	-	-	-	-	5,557,740
Grants - other	1,731,712	-	-	-	-	-	1,731,712
Contributions	1,637,168	-	-	-	-	-	1,637,168
In-kind contributions	411,779	-	-	-	-	-	411,779
Special events	806,198	-	-	-	-	-	806,198
Investment income	293,787	88	-	8	351	-	294,234
Other income	15,731	34,382	-	37,315	45,085	(116,782)	15,731
Net assets released from restrictions	4,540,386	-	-	-	-	-	4,540,386
<b>Total unrestricted support and revenue</b>	<b>28,637,906</b>	<b>34,470</b>	<b>-</b>	<b>37,323</b>	<b>45,436</b>	<b>(116,782)</b>	<b>28,638,353</b>
<b>Expenses</b>							
Program services	21,564,642	107,685	141,807	286,465	42,773	(116,782)	22,026,590
Management and general	5,077,746	-	-	-	-	-	5,077,746
Fundraising	1,410,546	-	-	-	-	-	1,410,546
<b>Total expenses</b>	<b>28,052,934</b>	<b>107,685</b>	<b>141,807</b>	<b>286,465</b>	<b>42,773</b>	<b>(116,782)</b>	<b>28,514,882</b>
<b>Change in unrestricted net assets</b>	<b>584,972</b>	<b>(73,215)</b>	<b>(141,807)</b>	<b>(249,142)</b>	<b>2,663</b>	<b>-</b>	<b>123,471</b>
<b>Restricted support and revenue</b>							
Grants - other	3,420,304	-	-	-	-	-	3,420,304
Contributions	918,590	-	-	-	-	-	918,590
Investment Income	119,897	-	-	-	-	-	119,897
Net assets released from restrictions	(4,540,386)	-	-	-	-	-	(4,540,386)
<b>Change in temporarily restricted net assets</b>	<b>(81,595)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81,595)</b>
<b>Change in total net assets</b>	<b>503,377</b>	<b>(73,215)</b>	<b>(141,807)</b>	<b>(249,142)</b>	<b>2,663</b>	<b>-</b>	<b>41,876</b>
<b>Contributions of capital assets</b>	<b>(1,201,265)</b>	<b>-</b>	<b>-</b>	<b>1,201,265</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, beginning of year</b>	<b>16,505,574</b>	<b>900,399</b>	<b>1,403,285</b>	<b>3,899,233</b>	<b>157,144</b>	<b>-</b>	<b>22,865,635</b>
<b>Net assets, end of year</b>	<b>\$ 15,807,686</b>	<b>\$ 827,184</b>	<b>\$ 1,261,478</b>	<b>\$ 4,851,356</b>	<b>\$ 159,807</b>	<b>\$ -</b>	<b>\$ 22,907,511</b>

PACE Center for Girls, Inc., and Related Entities

Combining Schedule of Cash Flows  
Year ended June 13, 2014

	PACE Center for Girls, Inc.	PACE - THC, Inc.	PACE Broward - THC, Inc.	PACE Collier - THC Inc.	PACE Alachua - THC, Inc.	Elimination	Total
<b>Cash flows from operating expenses</b>							
Change in net assets	\$ 503,377	\$ (73,215)	\$ (141,807)	\$ (249,142)	\$ 2,663	\$ -	\$ 41,876
Adjustments to reconcile change in net assets to net cash Provided by operating activities:							
Depreciation	283,965	98,946	141,807	275,357	26,084	-	826,159
Amortization	-	405	-	3,832	4,210	-	8,447
Loss on asset disposal	357	-	-	-	-	-	357
Unrealized gain on investments	(154,837)	-	-	-	-	-	(154,837)
Gain on sales of investments	(42,663)	-	-	-	-	-	(42,663)
In-kind contributions of capital assets	(293,130)	-	-	-	-	-	(293,130)
Allowance for uncollectible grants, contracts, and pledges receivable	223,511	-	-	-	-	-	223,511
Amortization of premium/discount on investments (net)	32,688	-	-	-	-	-	32,688
Change in:							
Contracts and grants receivable	320,065	-	-	-	-	-	320,065
Pledges receivable	641,756	-	-	-	-	-	641,756
Prepaid expenses and other assets	(59,718)	(7)	-	-	-	-	(59,725)
Accounts payable and accrued expenses	(370,867)	368	-	-	(4,150)	-	(374,749)
Deferred revenue	167,722	-	-	-	-	-	167,722
<b>Net cash provided by operating expenses</b>	<b>1,252,126</b>	<b>26,497</b>	<b>-</b>	<b>30,047</b>	<b>28,807</b>	<b>-</b>	<b>1,337,477</b>
<b>Cash from investing activities</b>							
Proceeds from sale of investments	10,515,444	-	-	-	-	-	10,515,444
Purchases of investments	(12,756,182)	-	-	-	-	-	(12,756,182)
Purchases of property and equipment	(2,033,901)	-	-	-	-	-	(2,033,901)
<b>Net cash used in investing activities</b>	<b>(4,274,639)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,274,639)</b>
<b>Cash flows from financing activities</b>							
Proceeds of long-term debt	55,003	-	-	-	-	-	55,003
Principal repayments of long-term debt	(10,213)	(26,416)	-	(30,036)	(28,456)	-	(95,121)
<b>Net cash provided by (used in) financing activities</b>	<b>44,790</b>	<b>(26,416)</b>	<b>-</b>	<b>(30,036)</b>	<b>(28,456)</b>	<b>-</b>	<b>(40,118)</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,977,723)</b>	<b>81</b>	<b>-</b>	<b>11</b>	<b>351</b>	<b>-</b>	<b>(2,977,280)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,747,843</b>	<b>19,262</b>	<b>-</b>	<b>4,168</b>	<b>7,984</b>	<b>-</b>	<b>5,779,257</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,770,120</b>	<b>\$ 19,343</b>	<b>\$ -</b>	<b>\$ 4,179</b>	<b>\$ 8,335</b>	<b>\$ -</b>	<b>\$ 2,801,977</b>
<b>Supplemental disclosure of cash flow information</b>							
Cash paid for interest	\$ 815	\$ 8,333	\$ -	\$ 7,277	\$ 12,479	\$ -	\$ 28,704
<b>Noncash investing and financing activities</b>							
In-kind contributions of capital assets	\$ 293,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,130

**Additional Required Elements**



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
PACE Center for Girls, Inc., and Related Entities

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 combined financial statements of PACE Center for Girls, Inc., and its related entities (collectively referred to herein as the "Organization"), which comprise the combined statement of financial position as of June 30, 2014, and the related combined statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2014.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cary Riggs & Ingram, L.L.C.*

Gainesville, Florida  
September 30, 2014



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

To the Board of Trustees  
PACE Center for Girls, Inc., and Related Entities

**Report on Compliance for Each Major Federal Program and Each Major State Project**

We have audited PACE Center for Girls, Inc. and its related entities (collectively referred to herein as the "Organization") compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* and the requirements described in the State Projects Compliance Supplement, that could have a direct and material effect on its major federal program and its major state project for the year ended June 30, 2014. The Organization's major federal program and major state project 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 requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Organization's major federal program and its major state project 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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 the major federal program and major state project. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Each Major Federal Program and Each Major State Project***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and its major state project for the year ended June 30, 2014.

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

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and major state project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of 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 the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Carly Riggs & Ingram, L.L.C.*

Gainesville, Florida  
September 30, 2014

PACE Center for Girls, Inc., and Related Entities

Schedule of Findings and Questioned Costs  
Year ended June 30, 2014

**Part I – Summary of Auditor’s Results**

1. The auditor’s report expresses an unmodified opinion on the financial statements.
2. No material weaknesses were disclosed during the audit of the financial statements. No significant deficiencies were reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. The audit did not disclose material weaknesses in internal control over the major federal program or state project. No significant deficiencies were reported.
5. The auditor’s report on compliance for the major federal program and state project expresses an unmodified opinion.
6. The audit did not disclose any findings relative to the major federal program or state project.
7. The program/project tested as major are as follows:

<u>Federal programs</u>	<u>CFDA/CSFA number</u>
Social Innovation Fund	94.019

<u>State project</u>	
Practical and Cultural Education (PACE) Center for Girls - prevention and victim services	80.007

8. A threshold of \$300,000 was used to identify Type A federal programs, and \$409,302 was used for state projects.
9. The Organization was determined to be a low-risk auditee pursuant to OMB Circular A-133.

**Part II – Financial Statement Findings Section**

None

**Part III – Findings and Questioned Costs – Federal Award Programs**

None

**Part IV – Findings and Questioned Costs – State Financial Assistance Projects**

None. Additionally, there are no items related to state financial assistance required to be reported in a management letter pursuant to Rules of the Auditor General.

**PACE Center for Girls, Inc., and Related Entities**

**Summary Schedule of Prior Audit Findings  
Year ended June 30, 2014**

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There were no prior audit findings relative to Federal or State Awards reported in the Schedule of Findings and Questioned Costs for the year ended June 30, 2013.