



FLORIDA BAPTIST CHILDREN'S HOMES, INC.

REPORTING PACKAGE

FOR THE YEAR ENDED DECEMBER 31, 2019



FLORIDA BAPTIST CHILDREN'S HOMES, INC.

Lakeland, Florida

**CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED SUPPLEMENTAL INFORMATION AND REPORTS
For The Year Ended December 31, 2019**

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REPORT OF INDEPENDENT AUDITOR

The Board of Trustees
Florida Baptist Children's Homes, Inc. and Affiliates
Lakeland, Florida

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Florida Baptist Children's Homes, Inc. and Affiliates (collectively referred to herein as "the Organization"), which consist of the consolidated statement of financial position as of December 31, 2019, 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.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Florida Baptist Children's Homes, Inc. and Affiliates as of December 31, 2019, the consolidated changes in its net assets, and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Florida Baptist Children's Homes, Inc. and Affiliates' 2018 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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Other Matters – Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental consolidating statement of financial position as of December 31, 2019, the supplemental consolidating statements of activities and cash flows for the year ended December 31, 2019, and 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 Chapter 10.650 Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. That information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2020 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.



BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida

July 21, 2020 (except for our report on the supplementary information for which the date is September 28, 2020)

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019
(With Summarized Comparative Totals For The Year Ended December 31, 2018)

	For The Year Ended December 31, 2019			For The Year Ended December 31, 2018
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Contributions	\$ 12,611,940	\$ 1,374,176	\$ 13,986,116	\$ 13,093,995
Contributions - noncash	11,124,942	—	11,124,942	9,196,475
Child support and contracts	4,575,714	—	4,575,714	5,475,847
Interest and dividend income	879,797	188,067	1,067,864	1,167,064
Net gain (loss) on investments	12,333,362	1,649,595	13,982,957	(2,200,998)
Other revenue	158,186	—	158,186	152,899
Gain (loss) on sale of property and equipment	22,375	—	22,375	(242,071)
Change in beneficial interest in perpetual trusts held by others	—	291,462	291,462	(246,535)
Net change in present value of charitable gift annuities payable	—	56,592	56,592	63,978
Net assets released from time and use restrictions	<u>677,721</u>	<u>(677,721)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>42,384,037</u>	<u>2,882,171</u>	<u>45,266,208</u>	<u>26,460,654</u>
EXPENSES				
Program services				
Child hunger	11,839,003	—	11,839,003	8,129,760
Foster care	3,941,357	—	3,941,357	3,524,618
Global	2,647,983	—	2,647,983	2,751,745
Campus ministries	2,282,587	—	2,282,587	4,659,421
Anti-trafficking	1,699,799	—	1,699,799	1,055,583
State programs	987,516	—	987,516	1,114,982
Single moms	675,988	—	675,988	622,989
Family support	<u>307,952</u>	<u>—</u>	<u>307,952</u>	<u>50,466</u>
Total program services	<u>24,382,185</u>	<u>—</u>	<u>24,382,185</u>	<u>21,909,564</u>
Support services				
General administration	1,943,009	—	1,943,009	1,921,510
Promotion and development	<u>2,461,353</u>	<u>—</u>	<u>2,461,353</u>	<u>2,158,618</u>
Total support services	<u>4,404,362</u>	<u>—</u>	<u>4,404,362</u>	<u>4,080,128</u>
Total expenses	<u>28,786,547</u>	<u>—</u>	<u>28,786,547</u>	<u>25,989,692</u>
CHANGE IN NET ASSETS	13,597,490	2,882,171	16,479,661	470,962
NET ASSETS - Beginning of year	<u>80,528,644</u>	<u>14,087,610</u>	<u>94,616,254</u>	<u>94,145,292</u>
NET ASSETS - End of year	<u>\$ 94,126,134</u>	<u>\$ 16,969,781</u>	<u>\$ 111,095,915</u>	<u>\$ 94,616,254</u>

The Accompanying Notes are an Integral
Part of These Consolidated Financial Statements

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2019
(With Summarized Comparative Totals For The Year Ended December 31, 2018)

	For The Years Ended December 31,	
	2019	2018
OPERATING CASH FLOWS		
Cash received from contributors	\$ 12,663,771	\$ 11,614,498
Cash received for child support and contracts	4,556,961	5,440,942
Cash received from interest and dividends	1,067,864	1,167,064
Other revenue received	158,186	152,899
Cash paid for operating activities and costs	<u>(17,060,564)</u>	<u>(17,683,065)</u>
Net operating cash flows	<u>1,386,218</u>	<u>692,338</u>
INVESTING CASH FLOWS		
Net sales of investments	2,038,678	1,091,230
Net investment in assets restricted for long-term purposes	(657,446)	(454,981)
Net proceeds from sale of property and equipment	22,938	975,552
Purchases of and improvements to property and equipment	<u>(2,220,739)</u>	<u>(2,463,754)</u>
Net investing cash flows	<u>(816,569)</u>	<u>(851,953)</u>
FINANCING CASH FLOWS		
Proceeds from contributions restricted for:		
Investment in property and equipment	803,345	952,297
Endowment	<u>519,000</u>	<u>527,200</u>
Net financing cash flows	<u>1,322,345</u>	<u>1,479,497</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH	1,891,994	1,319,882
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - Beginning of year	<u>9,941,527</u>	<u>8,621,645</u>
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - End of year	<u>\$ 11,833,521</u>	<u>\$ 9,941,527</u>
REPORTED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS FOLLOWS		
Cash and cash equivalents	\$ 8,048,633	\$ 6,864,684
Cash designated for long-term purposes	1,470,362	1,255,090
Restricted cash included in "Cash and investments restricted for long-term purposes"	<u>2,314,526</u>	<u>1,821,753</u>
Total cash and cash equivalents, designated cash, and restricted cash	<u>\$ 11,833,521</u>	<u>\$ 9,941,527</u>

The Accompanying Notes are an Integral
Part of These Consolidated Financial Statements

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2019
(With Summarized Comparative Totals For The Year Ended December 31, 2018)

	For The Year Ended December 31, 2019												For The Year Ended December 31, 2018	
	Program services								Support services				Total expenses	Total expenses
	Child hunger	Foster care	Global	Campus ministries	Anti-trafficking	State programs	Single moms	Family support	Total program services	General administration	Promotion and development	Total support services		
Salaries and related expenses														
Salaries	\$ 308,702	\$ 2,330,188	\$ 453,674	\$ 915,031	\$ 1,135,208	\$ 464,851	\$ 300,882	\$ 188,379	\$ 6,096,915	\$ 868,343	\$ 1,083,697	\$ 1,952,040	\$ 8,048,955	\$ 7,730,377
Employee benefits	27,867	166,592	40,175	80,661	42,415	53,021	29,890	3,020	443,641	82,959	80,897	163,856	607,497	647,204
Payroll taxes	19,770	172,653	30,154	65,948	86,037	33,259	22,722	14,574	445,117	46,442	77,884	124,326	569,443	533,475
Total salaries and related expenses	356,339	2,669,433	524,003	1,061,640	1,263,660	551,131	353,494	205,973	6,985,673	997,744	1,242,478	2,240,222	9,225,895	8,911,056
Client care														
Gift in kind	10,956,791	—	—	—	—	—	—	—	10,956,791	—	—	—	10,956,791	7,491,475
International travel	—	—	892,985	—	—	—	—	—	892,985	—	—	—	892,985	1,082,588
International projects	—	—	629,178	—	—	—	—	—	629,178	—	—	—	629,178	630,596
International sponsorship	—	—	400,792	—	—	—	—	—	400,792	—	—	—	400,792	352,395
Food	200,814	12,309	—	29,031	7,639	—	—	3,918	253,711	—	—	—	253,711	286,483
Other client care	34,299	28,442	—	8,347	1,832	4,443	34,535	3,312	115,210	—	—	—	115,210	327,900
Clothing	10,777	10,658	—	9,043	3,889	—	—	757	35,124	—	—	—	35,124	72,298
Activities	—	8,448	—	8,224	6,140	—	—	—	22,812	—	—	—	22,812	77,975
Supplies	—	4,155	—	5,429	2,102	—	5,608	1,176	18,470	—	—	—	18,470	32,601
Foster home payments	—	8,331	—	—	—	—	—	—	8,331	—	—	—	8,331	3,720
Allowances/work	—	3,194	—	3,026	848	—	—	—	7,068	—	—	—	7,068	20,626
Medical/dental	—	549	—	1,366	1,907	—	—	—	3,822	—	—	—	3,822	11,163
Total client care	11,202,681	76,086	1,922,955	64,466	24,357	4,443	40,143	9,163	13,344,294	—	—	—	13,344,294	10,389,820
Other expenses														
Insurance	55,859	481,905	56,735	186,948	178,184	99,358	76,277	28,504	1,163,770	109,662	191,621	301,283	1,465,053	2,000,180
Promotion and development	7,181	12,493	—	1,475	19,507	61,370	1,946	6,957	110,929	—	751,768	751,768	862,697	904,164
Repairs and maintenance	102,452	138,826	8,202	247,984	19,062	93,557	50,338	3,894	664,315	144,774	43,907	188,681	852,996	739,660
Utilities	49,393	194,938	—	164,858	17,076	18,469	87,960	2,780	535,474	15,940	18,468	34,408	569,882	542,519
Travel	48,207	95,530	62,900	39,034	119,105	43,580	19,450	3,386	431,192	37,274	68,274	105,548	536,740	472,043
Other	—	47,858	—	—	4,754	—	1,390	28,802	82,804	236,926	2,401	239,327	322,131	250,490
Professional services	314	11,094	2,687	1,843	1,658	2,074	438	1,867	21,975	214,172	24,680	238,852	260,827	288,808
Telephone	3,255	63,186	16,148	27,639	12,694	15,714	12,828	3,047	154,511	9,388	24,799	34,187	188,698	178,872
Office supplies	7,452	25,021	4,318	12,560	21,901	12,387	8,172	10,217	102,028	9,259	13,742	23,001	125,029	86,056
Memberships and training	4,664	28,573	455	1,742	9,823	22,778	3,570	1,403	73,008	21,836	19,526	41,362	114,370	154,937
Meetings and exhibits	—	—	7,162	—	1,519	27,250	—	—	35,931	—	29,435	29,435	65,366	48,342
Bank fees	—	—	34,954	—	129	—	—	—	35,083	2,737	23,390	26,127	61,210	65,701
Furnishings and capital	—	18,213	—	4,043	44	—	19,066	—	41,366	19,529	—	19,529	60,895	181,025
Trustee travel	—	—	—	—	—	—	—	—	—	42,353	—	42,353	42,353	44,266
Postage	—	3,520	5,794	6,026	—	3,948	—	—	19,288	16,941	5,964	22,905	42,193	39,268
Recruiting and hiring	1,206	5,237	1,670	1,037	1,825	564	916	1,959	14,414	1,097	900	1,997	16,411	22,239
Scholarship	—	—	—	—	—	—	—	—	—	3,311	—	3,311	3,311	16,382
Total other expenses	279,983	1,126,394	201,025	695,189	407,281	401,049	282,351	92,816	3,486,088	885,199	1,218,875	2,104,074	5,590,162	6,034,952
Total expenses before depreciation	11,839,003	3,871,913	2,647,983	1,821,295	1,695,298	956,623	675,988	307,952	23,816,055	1,882,943	2,461,353	4,344,296	28,160,351	25,335,828
Depreciation	—	69,444	—	461,292	4,501	30,893	—	—	566,130	60,066	—	60,066	626,196	653,864
Total expenses	\$ 11,839,003	\$ 3,941,357	\$ 2,647,983	\$ 2,282,587	\$ 1,699,799	\$ 987,516	\$ 675,988	\$ 307,952	\$ 24,382,185	\$ 1,943,009	\$ 2,461,353	\$ 4,404,362	\$ 28,786,547	\$ 25,989,692

The Accompanying Notes are an Integral
Part of These Consolidated Financial Statements

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE A – NATURE OF ACTIVITIES

Florida Baptist Children's Homes, Inc. ("the Organization") is a faith-based not-for-profit corporation dedicated to providing Christ-centered services to children and families in need. The Organization is a cooperating ministry of the Florida Baptist State Convention. The Organization operates service centers in Lakeland, Bradenton, Orlando, Jacksonville, Gainesville, Tallahassee, Panama City, Fort Myers, Miami, Pensacola, Chipley, Largo, Leesburg, Naples, Palatka, Sarasota, and Tampa, Florida. These service centers operate for the care, maintenance, support, and education of children who are residents of the state of Florida. The Organization also provides support to orphanages and other childcare centers throughout the world as part of its international ministries operation.

In conformity with accounting principles generally accepted in the United States of America ("GAAP"), the Organization's consolidated financial statements include the accounts of the following entities, which are separate legal entities:

- FBCH Land Holdings, Inc. – a not-for-profit Florida corporation established in 2011 for the purpose of holding title to certain real property and allowing such property to be used by the Organization at a cost that is well below market value. The Organization controls the appointment of FBCH Land Holdings, Inc.'s board of directors.
- FBCH Land Holdings II, Inc. – a not-for-profit Florida corporation established in 2011 for the purpose of holding title to certain real property. The Organization controls the appointment of FBCH Land Holdings II, Inc.'s board of directors.
- One More Child Foundation, Inc. ("the Foundation") – a not-for-profit Florida corporation established in 2011 for the purpose of pursuing and administering non-traditional donations for the benefit of the Organization. The Organization controls the appointment of the Foundation's board of directors.

All entities are collectively referred to herein as "the Organization."

All significant interorganization balances and transactions have been eliminated in consolidation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Organization recognizes cash contributions as revenue when the contributions are received by the Organization. Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities as "net assets released from time and use restrictions."

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Split-interest gifts

For irrevocable split-interest arrangements such as charitable gift annuities, charitable remainder trusts, and similar arrangements in which the Organization is trustee or custodian, the assets of such arrangements are reflected in the Organization's consolidated financial statements as further described in Note E. The carrying values of such investments conform to GAAP, which generally require that investment securities be carried at estimated fair value at all times and that other assets be carried at the estimated fair value of the assets on the date the assets are contributed, unadjusted for subsequent changes in value. Also, for arrangements in which the Organization is trustee or custodian, a liability is recognized for the estimated present value of benefits payable to other beneficiaries. For split-interest arrangements in which the Organization is not the trustee or custodian, the Organization recognizes an asset for the estimated present value of the Organization's benefits under the arrangements.

For all irrevocable split-interest arrangements, regardless of whether or not the Organization acts as trustee or custodian, contribution revenue without donor restrictions or with donor restrictions is recognized for the estimated present value of the Organization's benefits under each such arrangement in the year the arrangement is established or in the year in which the Organization is provided sufficient information about the existence and nature of the arrangement. Periodic adjustments are made for changes in estimated present values using applicable mortality tables and appropriate discount rates. State law imposes certain restrictions on the manner in which charitable gift annuity assets may be invested.

Cash and cash equivalents

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Investments

Investments consist of equity securities, debt securities, and mutual funds which are recorded at estimated fair value.

Property and equipment

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. The Organization uses the straight-line method of depreciating assets over their respective estimated useful lives.

Net assets

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Board has designated a portion of net assets as further described in Note J. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

Functional allocation of expenses

The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

Income taxes

Each organization described in Note A is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. Each organization is further classified as a public charity and not a private foundation for federal tax purposes. The organizations have not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying consolidated financial statements.

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these consolidated financial statements include those used in estimating the fair value of investments, estimating the fair value of noncash contributions, the useful lives of property and equipment, and the liabilities for charitable gift annuities. Actual results could differ from the estimates.

New accounting pronouncement

Financial Accounting Standards Board Accounting Standards Update (“ASU”) 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash is effective for the Organization’s consolidated financial statements for the year ended December 31, 2019. The ASU requires that amounts described as restricted cash or restricted cash equivalents (including cash designated by the Board for long-term purposes) be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total cash amounts shown on the consolidated statements of cash flows. The adoption of the ASU had no effect on the Organization’s consolidated net assets as of January 1, 2018 or the consolidated change in net assets presented for 2018. As required by applicable guidance, the Organization has retrospectively applied the ASU’s provisions to the 2018 consolidated statement of cash flows.

Reclassifications

Certain amounts included in the 2018 consolidated financial statements have been reclassified to conform to classifications adopted during 2019. The reclassifications had no material effect on the accompanying consolidated financial statements.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the date of the consolidated statements of financial position are as follows:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Financial assets available:		
Cash and cash equivalents	\$ 8,048,633	\$ 6,864,684
Cash designated for long-term purposes	1,470,362	1,255,090
Cash and investments restricted for long-term purposes	8,115,540	6,965,321
Investments	<u>67,653,905</u>	<u>55,709,626</u>
Total financial assets available	85,288,440	70,794,721
Less amounts unavailable for general expenditures within one year due to:		
Board-designations	(1,470,362)	(1,255,090)
Donor-imposed restrictions	<u>(12,345,131)</u>	<u>(9,542,316)</u>
Net financial assets available within one year	<u>\$ 71,472,947</u>	<u>\$ 59,997,315</u>

The Organization is primarily supported by contributions. As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board of Directors has designated certain amounts for various purposes as more fully described in Note J. Because of the designations, those amounts are not available for general expenditures within the next year; however, the Board of Directors could make them available, if necessary.

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE C - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Organization also has certain assets limited to use for donor-restricted purposes. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditures within one year of December 31, 2019 and 2018, and are excluded from net financial assets available to meet general expenditures within one year. Management believes the Organization has sufficient investments available for general operations that may be drawn upon in the event of an unanticipated financial distress or an immediate liquidity need.

NOTE D - CONCENTRATIONS

The Organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

At December 31, 2019 and 2018, the Organization maintained approximately \$71,090,000 and \$59,385,000, respectively, of its cash and investments with one custodian.

NOTE E - INVESTMENTS

Investments, including amounts restricted for long-term purposes, consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Bank deposit accounts	\$ 2,301,198	\$ 1,820,591
Common and preferred stocks	55,848,121	44,057,557
Debt securities	15,208,245	14,923,185
Mutual funds	<u>2,411,881</u>	<u>1,873,614</u>
Total investments	<u>\$ 75,769,445</u>	<u>\$ 62,674,947</u>

NOTE F - CASH AND INVESTMENTS RESTRICTED FOR LONG-TERM PURPOSES

Cash and investments restricted for long-term purposes were restricted for the following purposes:

<u>Category</u>	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Endowment funds and trusts	\$ 4,905,015	\$ 4,386,015
Capital improvements	2,271,399	1,768,054
Net investments held for charitable gift annuities	<u>939,126</u>	<u>811,252</u>
Total cash and investments restricted for long-term purposes	<u>\$ 8,115,540</u>	<u>\$ 6,965,321</u>

FLORIDA BAPTIST CHILDREN’S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE G – FAIR VALUE MEASUREMENTS

GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

The estimated fair value of the Organization’s beneficial interest in perpetual trusts held by others measured using Level 3 inputs is based on a valuation model that calculates the discounted present value of the estimated future distributions the Organization expects to receive as well as amounts provided by banks and financial institutions. The estimated fair value of charitable gift annuities payable measured using Level 3 inputs is based on a valuation model that calculates the discounted present value of the estimated payments to be made by the Organization under the contracts, applying certain assumptions regarding interest rates and life expectancies.

Estimated fair value of certain assets (liabilities) measured on a recurring basis at December 31, 2019, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 55,848,121	\$ 55,848,121	\$ —	\$ —
Debt securities	15,208,245	15,208,245	—	—
Mutual funds	2,411,881	2,411,881	—	—
Beneficial interest in perpetual trusts held by others	<u>2,812,691</u>	<u>—</u>	<u>—</u>	<u>2,812,691</u>
Total	<u>\$ 76,280,938</u>	<u>\$ 73,468,247</u>	<u>\$ —</u>	<u>\$ 2,812,691</u>
 Present value of charitable gift annuities payable	 <u>\$ (421,296)</u>	 <u>\$ —</u>	 <u>\$ —</u>	 <u>\$ (421,296)</u>

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE G – FAIR VALUE MEASUREMENTS (Continued)

Estimated fair value of certain assets (liabilities) measured on a recurring basis at December 31, 2018, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 44,057,557	\$ 44,057,557	\$ —	\$ —
Debt securities	14,923,185	14,923,185	—	—
Mutual funds	1,873,614	1,873,614	—	—
Beneficial interest in perpetual trusts held by others	<u>2,521,229</u>	<u>—</u>	<u>—</u>	<u>2,521,229</u>
Total	<u>\$ 63,375,585</u>	<u>\$ 60,854,356</u>	<u>\$ —</u>	<u>\$ 2,521,229</u>
Present value of charitable gift annuities payable	<u>\$ (438,435)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (438,435)</u>

The change in the components of financial instruments measured using Level 3 inputs in each of the years 2019 and 2018 was immaterial.

NOTE H – BENEFICIAL INTEREST IN PERPETUAL TRUSTS HELD BY OTHERS

Beneficial interest in perpetual trusts held by others consisted of the following:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Beneficial interest in perpetual trusts held by others	\$ 1,499,769	\$ 1,296,353
Beneficial interest in perpetual trusts held by Florida Baptist Foundation, Inc. ("FBF")	<u>1,312,922</u>	<u>1,224,876</u>
Total beneficial interest in perpetual trusts held by others	<u>\$ 2,812,691</u>	<u>\$ 2,521,229</u>

NOTE I – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 8,809,376	\$ 7,596,388
Buildings and building improvements	21,704,533	20,950,989
Furniture and equipment	3,193,853	3,132,283
Vehicles	1,213,512	1,203,239
Construction in progress	<u>1,057,057</u>	<u>811,309</u>
Total	35,978,331	33,694,208
Less: Accumulated depreciation	<u>(11,914,039)</u>	<u>(11,392,047)</u>
Net property and equipment	<u>\$ 24,064,292</u>	<u>\$ 22,302,161</u>

Depreciation expense amounted to \$626,196 and \$653,864 for the years ended December 31, 2019 and 2018, respectively.

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE I – PROPERTY AND EQUIPMENT (Continued)

During 2019 and 2018, FBCH Land Holdings, Inc. received donations of certain properties valued at approximately \$168,000 and \$1,705,000, respectively, which are included within “contributions without donor restrictions – noncash” in the accompanying consolidated statements of activities.

NOTE J – BOARD DESIGNATED NET ASSETS

Net assets were designated by the Organization’s Board of Directors for the following purposes as of December 31, 2019 and 2018:

Category	December 31,	
	2019	2018
Capital repairs	\$ 924,457	\$ 913,709
Vehicle repairs	284,704	280,718
Capital improvements	152,012	—
Insurance reserve	109,189	60,663
Total board designated net assets	\$ 1,470,362	\$ 1,255,090

NOTE K – NET ASSETS WITH RESTRICTIONS

Net assets with restrictions were for the following purposes during the year ended December 31, 2019:

	Balance January 1	Contributions	Investment Income, net and Other	Disbursements/ Releases	Balance December 31
Endowments corpus with distributions available for general operating purposes	\$ 3,655,129	\$ 517,500	\$ —	\$ —	\$ 4,172,629
Appreciation on endowment net assets	1,791,266	—	1,641,004	—	3,432,270
Capital improvements	1,768,054	803,345	—	(300,000)	2,271,399
Beneficial interest in perpetual trusts held by others	1,296,353	—	203,416	—	1,499,769
Beneficial interest in perpetual trusts held by FBF	1,224,876	—	88,046	—	1,312,922
Global	1,137,003	40,238	—	—	1,177,241
Net investment held for charitable gift annuities	811,252	—	219,200	(91,327)	939,125
Scholarships	785,729	11,593	—	—	797,322
Endowments corpus with distributions restricted for various purposes	730,886	1,500	—	—	732,386
Other time and use restrictions	887,062	—	34,050	(286,394)	634,718
Total	\$ 14,087,610	\$ 1,374,176	\$ 2,185,716	\$ (677,721)	\$ 16,969,781

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE K – NET ASSETS WITH RESTRICTIONS (Continued)

Net assets with restrictions were for the following purposes during the year ended December 31, 2018:

	Balance		Investment		Disbursements/	Balance
	<u>January 1</u>	<u>Contributions</u>	<u>Income, net</u>	<u>and Other</u>	<u>Releases</u>	<u>December 31</u>
Endowments corpus with distributions available for general operating purposes	\$ 3,130,929	\$ 524,200	\$ —	\$ —	\$ —	\$ 3,655,129
Appreciation on endowment net assets	2,208,196	—	(416,930)	—	—	1,791,266
Capital improvements	815,757	952,297	—	—	—	1,768,054
Beneficial interest in perpetual trusts held by others	1,472,534	—	(176,181)	—	—	1,296,353
Beneficial interest in perpetual trusts held by FBF	1,295,230	—	(70,354)	—	—	1,224,876
Global	775,898	361,105	—	—	—	1,137,003
Other time and use restrictions	842,070	77,064	(32,072)	—	—	887,062
Net investment held for charitable gift annuities	842,734	—	23,948	(55,430)	—	811,252
Scholarships	784,593	1,136	—	—	—	785,729
Endowments corpus with distributions restricted for various purposes	<u>727,886</u>	<u>3,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>730,886</u>
Total	<u>\$ 12,895,827</u>	<u>\$ 1,918,802</u>	<u>\$ (671,589)</u>	<u>\$ (55,430)</u>	<u>\$ (55,430)</u>	<u>\$ 14,087,610</u>

The Organization preserves the estimated fair value of endowment gifts as of the gift date, which management deems is in compliance with state law. Accordingly, the Organization classifies as “endowments corpus” (a) the original value of gifts donated to the endowments and (b) the original value of subsequent gifts to the endowments. The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to supported programs while seeking to maintain the purchasing power of the endowment assets and to preserve the invested capital. The Organization seeks the advice of investment counsel, as well as management and the Board, when determining amounts to be spent on supported programs. The Organization has adopted a current spending policy of 5% of the estimated fair value of the endowment funds.

NOTE L – NONCASH CONTRIBUTIONS

The Organization receives donations of food and beverages, clothing, toys, daily living essentials, and other similar donations from individuals and corporate partners for use in relieving suffering and poverty throughout Florida. Noncash contributions are recognized as revenue at their estimated fair value on the date the gifts are received and are recognized as expenses when the related gifts are distributed to the end user. During 2019 and 2018, the Organization recognized noncash contributions of approximately \$10,957,000 and \$7,491,000 related to these efforts which is included within “contributions without donor restrictions - noncash” in the accompanying consolidated statements of activities.

During 2019 and 2018, FBCH Land Holdings, Inc. also received donations of certain properties as described in Note I.

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE M – RETIREMENT PLAN

The Organization participates in a defined contribution retirement plan administered by Guidestone Financial Resources of the Southern Baptist Convention. The plan covers all employees of the Organization meeting certain eligibility requirements. The Organization contributed approximately \$479,000 and \$481,000 to the plan during 2019 and 2018, respectively.

NOTE N – SELF-INSURANCE PROGRAM

The Organization maintains a self-insurance program for health insurance coverage for its employees. The Organization has contracted with a third-party administrator to process the health insurance claims. Under the contract, the Organization is self-insured for each employee for the first \$75,000 of claims incurred in a calendar year. The Organization has a reinsurance policy that covers claims over \$75,000 per employee per year. The Organization has stop-loss insurance of \$75,000 for individuals per period and \$1,000,000 in the aggregate per period. As of December 31, 2019 and 2018, claims incurred but not paid or reported were not material to the consolidated financial statements and are included within “accounts payable and accrued expenses” in the accompanying consolidated statements of financial position.

NOTE O – TRANSACTIONS WITH COOPERATING MINISTRIES

The Organization is a cooperating ministry of the Florida Baptist State Convention. The Florida Baptist State Convention provides funding to the Organization through the cooperative program administered by Florida Baptist Convention, Inc. The Organization received approximately \$1,140,000 from Florida Baptist Convention, Inc. related to this program during 2019 and 2018. These amounts are included within “contributions without donor restrictions” in the accompanying consolidated statements of activities

Florida Baptist Foundation, Inc. (“FBF”) is also a cooperating ministry of the Florida Baptist State Convention. FBF serves as trustee over a number of investment accounts for the Organization, and also holds trusts in which the Organization has a beneficial interest. FBF was trustee of approximately \$3,179,000 and \$2,785,000 of the Organization’s cash and investments as of December 31, 2019 and 2018, respectively. Further, the Organization had a beneficial interest in trusts held by FBF in the amount of \$1,312,922 and \$1,224,876 as of December 31, 2019 and 2018, respectively.

NOTE P – CONTINGENCIES

From time to time, the Organization becomes aware of the existence of possible legal claims against it. While possible claims may exist, management does not have any basis for concluding that such claims would have a material adverse effect on the consolidated financial statements.

NOTE Q – SUBSEQUENT EVENTS

In January 2020, the World Health Organization (“WHO”) announced a global health emergency related to the outbreak of a virus originating in China. In March 2020, WHO elevated the classification of the outbreak to a pandemic (“the pandemic”). Management is closely monitoring the potential impact of the pandemic on the Organization’s financial condition and has taken actions to mitigate its impact. Such actions include availing the Organization of relief measures available under federal law and reducing the overall scope and cost of operations. Because of the unknown impact on global commerce, management is not able to estimate the effects of the pandemic on its operating results, financial condition, or liquidity for the year ending December 31, 2020.

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

(With Comparative Information for December 31, 2018)

NOTE Q – SUBSEQUENT EVENTS (Continued)

Subsequent to year-end, the Organization obtained a Paycheck Protection Program loan in the approximate amount of \$1,919,000. Pursuant to federal law, the loan amount may be forgiven in whole or in part based on the nature of the Organization's expenditures during an applicable eight-week period. Management expects that all or a significant portion of the loan will be forgiven. The Organization will recognize the amount forgiven as revenue when the conditions for forgiveness are met.

The Organization has evaluated for possible financial reporting and disclosure subsequent events through July 21, 2020, the date as of which the consolidated financial statements were available to be issued.

Supplemental Information

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES
SUPPLEMENTAL CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2019
(UNAUDITED)

ASSETS

	Florida Baptist Children's Homes, Inc.	FBCH Land Holdings, Inc.	FBCH Land Holdings II, Inc.	One More Child Foundation, Inc.	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 7,278,445	\$ 282,900	\$ 11,421	\$ 475,867	\$ —	\$ 8,048,633
Cash designated for long-term purposes	1,318,350	152,012	—	—	—	1,470,362
Cash and investments restricted for long-term purposes	1,199,274	2,271,399	—	4,644,867	—	8,115,540
Investments	8,392,582	—	—	59,261,323	—	67,653,905
Property and equipment, net	2,816,724	21,247,568	—	—	—	24,064,292
Beneficial interest in perpetual trusts held by others	2,812,691	—	—	—	—	2,812,691
Other assets	953,913	—	—	—	—	953,913
Total assets	\$ 24,771,979	\$ 23,953,879	\$ 11,421	\$ 64,382,057	\$ —	\$ 113,119,336

LIABILITIES AND NET ASSETS

LIABILITIES						
Accounts payable and accrued expenses	\$ 1,602,125	\$ —	\$ —	\$ —	\$ —	\$ 1,602,125
Present value of charitable gift annuities payable	421,296	—	—	—	—	421,296
Total liabilities	2,023,421	—	—	—	—	2,023,421
NET ASSETS						
Without donor restrictions						
Operating	11,608,119	282,900	11,421	56,689,040	—	68,591,480
Net investment in property and equipment	2,816,724	21,247,568	—	—	—	24,064,292
Board designated	1,318,350	152,012	—	—	—	1,470,362
Total net assets without donor restrictions	15,743,193	21,682,480	11,421	56,689,040	—	94,126,134
With donor restrictions	7,005,365	2,271,399	—	7,693,017	—	16,969,781
Total net assets	22,748,558	23,953,879	11,421	64,382,057	—	111,095,915
Total liabilities and net assets	\$ 24,771,979	\$ 23,953,879	\$ 11,421	\$ 64,382,057	\$ —	\$ 113,119,336

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES
SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019
(UNAUDITED)

	Florida Baptist Children's Homes, Inc.	FBCH Land Holdings, Inc.	FBCH Land Holdings II, Inc.	One More Child Foundation, Inc.	Eliminations	Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Public support and revenue						
Contributions	\$ 12,611,940	\$ —	\$ —	\$ —	\$ —	\$ 12,611,940
Contributions - noncash	10,956,791	168,151	—	—	—	11,124,942
Child support and contracts	4,575,714	—	—	—	—	4,575,714
Interest and dividend income	151,756	—	—	728,041	—	879,797
Net gain on investments	1,352,572	—	—	10,980,790	—	12,333,362
Other revenue	158,186	—	—	—	—	158,186
Gain on sale of property and equipment	22,375	—	—	—	—	22,375
Grant from affiliates	<u>2,681,615</u>	<u>1,900,279</u>	<u>—</u>	<u>—</u>	<u>(4,581,894)</u>	<u>—</u>
Total public support and revenue	32,510,949	2,068,430	—	11,708,831	(4,581,894)	41,706,316
Net assets released from time and use restrictions	<u>377,721</u>	<u>300,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>677,721</u>
Total public support and revenue and net assets released from time and use restrictions	<u>32,888,670</u>	<u>2,368,430</u>	<u>—</u>	<u>11,708,831</u>	<u>(4,581,894)</u>	<u>42,384,037</u>
Expenses						
Program services						
Child hunger	11,839,003	—	—	—	—	11,839,003
Foster care	3,875,157	66,200	—	—	—	3,941,357
Global	2,647,983	—	—	—	—	2,647,983
Campus ministries	1,938,350	344,237	—	—	—	2,282,587
Anti-trafficking	1,699,799	—	—	—	—	1,699,799
State programs	956,623	30,893	—	—	—	987,516
Single moms	675,988	—	—	—	—	675,988
Family support	307,952	—	—	—	—	307,952
Grant to affiliates	<u>1,900,279</u>	<u>60,000</u>	<u>2,500</u>	<u>2,619,115</u>	<u>(4,581,894)</u>	<u>—</u>
Total program services	<u>25,841,134</u>	<u>501,330</u>	<u>2,500</u>	<u>2,619,115</u>	<u>(4,581,894)</u>	<u>24,382,185</u>
Support services						
General administration	1,939,318	3,567	61	63	—	1,943,009
Promotion and development	<u>2,461,353</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,461,353</u>
Total support services	<u>4,400,671</u>	<u>3,567</u>	<u>61</u>	<u>63</u>	<u>—</u>	<u>4,404,362</u>
Total expenses	<u>30,241,805</u>	<u>504,897</u>	<u>2,561</u>	<u>2,619,178</u>	<u>(4,581,894)</u>	<u>28,786,547</u>
Change in net assets without donor restrictions	<u>2,646,865</u>	<u>1,863,533</u>	<u>(2,561)</u>	<u>9,089,653</u>	<u>—</u>	<u>13,597,490</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS						
Contributions	1,171,676	202,500	—	—	—	1,374,176
Interest and dividend income	27,604	—	—	160,463	—	188,067
Net gain on investments	246,130	—	—	1,403,465	—	1,649,595
Change in beneficial interest in perpetual trusts held by others	291,462	—	—	—	—	291,462
Net change in present value of charitable gift annuities payable	56,592	—	—	—	—	56,592
Grant to/from affiliates	(1,419,845)	900,845	—	519,000	—	—
Net assets released from time and use restrictions	<u>(377,721)</u>	<u>(300,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(677,721)</u>
Change in net assets with donor restrictions	<u>(4,102)</u>	<u>803,345</u>	<u>—</u>	<u>2,082,928</u>	<u>—</u>	<u>2,882,171</u>
CHANGE IN NET ASSETS	<u>2,642,763</u>	<u>2,666,878</u>	<u>(2,561)</u>	<u>11,172,581</u>	<u>—</u>	<u>16,479,661</u>
NET ASSETS - Beginning of year	<u>20,105,795</u>	<u>21,287,001</u>	<u>13,982</u>	<u>53,209,476</u>	<u>—</u>	<u>94,616,254</u>
NET ASSETS - End of year	<u>\$ 22,748,558</u>	<u>\$ 23,953,879</u>	<u>\$ 11,421</u>	<u>\$ 64,382,057</u>	<u>\$ —</u>	<u>\$ 111,095,915</u>

FLORIDA BAPTIST CHILDREN'S HOMES, INC. AND AFFILIATES
SUPPLEMENTAL CONSOLIDATING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2019
(UNAUDITED)

	Florida Baptist Children's Homes, Inc.	FBCH Land Holdings, Inc.	FBCH Land Holdings II, Inc.	One More Child Foundation, Inc.	Eliminations	Total
OPERATING CASH FLOWS						
Cash received from contributors	\$ 12,461,271	\$ 202,500	\$ —	\$ —	\$ —	\$ 12,663,771
Cash received for child support and contracts	4,556,961	—	—	—	—	4,556,961
Cash received from interest and dividends	179,360	—	—	888,504	—	1,067,864
Cash received from affiliates	2,681,615	2,200,279	—	—	(4,881,894)	—
Other revenue received	158,186	—	—	—	—	158,186
Cash paid for operating activities and costs	<u>(20,676,997)</u>	<u>(63,567)</u>	<u>(2,561)</u>	<u>(2,619,178)</u>	<u>6,301,739</u>	<u>(17,060,564)</u>
Net operating cash flows	<u>(639,604)</u>	<u>2,339,212</u>	<u>(2,561)</u>	<u>(1,730,674)</u>	<u>1,419,845</u>	<u>1,386,218</u>
INVESTING CASH FLOWS						
Net sales of investments	269,112	—	—	1,769,566	—	2,038,678
Net investment in assets restricted for long-term purposes	(138,446)	—	—	(519,000)	—	(657,446)
Net proceeds from sale of property and equipment	22,938	—	—	—	—	22,938
Purchases of and improvements to property and equipment	(176,260)	(2,044,479)	—	—	—	(2,220,739)
Grant to/from affiliates of assets restricted for long-term purposes	<u>—</u>	<u>900,845</u>	<u>—</u>	<u>—</u>	<u>(900,845)</u>	<u>—</u>
Net investing cash flows	<u>(22,656)</u>	<u>(1,143,634)</u>	<u>—</u>	<u>1,250,566</u>	<u>(900,845)</u>	<u>(816,569)</u>
FINANCING CASH FLOWS						
Proceeds from contributions restricted for:						
Investment in property and equipment	803,345	—	—	—	—	803,345
Endowment	519,000	—	—	—	—	519,000
Grant to/from affiliates restricted for long-term endowment	<u>—</u>	<u>—</u>	<u>—</u>	<u>519,000</u>	<u>(519,000)</u>	<u>—</u>
Net financing cash flows	<u>1,322,345</u>	<u>—</u>	<u>—</u>	<u>519,000</u>	<u>(519,000)</u>	<u>1,322,345</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH	660,085	1,195,578	(2,561)	38,892	—	1,891,994
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - Beginning of year	<u>7,979,837</u>	<u>1,510,733</u>	<u>13,982</u>	<u>436,975</u>	<u>—</u>	<u>9,941,527</u>
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - End of year	<u>\$ 8,639,922</u>	<u>\$ 2,706,311</u>	<u>\$ 11,421</u>	<u>\$ 475,867</u>	<u>\$ —</u>	<u>\$ 11,833,521</u>
REPORTED IN THE CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS FOLLOWS						
Cash and cash equivalents	\$ 7,278,445	\$ 282,900	\$ 11,421	\$ 475,867	\$ —	\$ 8,048,633
Cash designated for long-term purposes	1,318,350	152,012	—	—	—	1,470,362
Restricted cash included in "Cash and investments restricted for long-term purposes"	<u>43,127</u>	<u>2,271,399</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,314,526</u>
Total cash and cash equivalents, designated cash, and restricted cash	<u>\$ 8,639,922</u>	<u>\$ 2,706,311</u>	<u>\$ 11,421</u>	<u>\$ 475,867</u>	<u>\$ —</u>	<u>\$ 11,833,521</u>

FLORIDA BAPTIST CHILDREN'S HOMES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Year Ended December 31, 2019

Federal Agency	Federal CFDA Number	Contract/Grant Number	Expenditures
U.S. Department of Health and Human Services			
Passed through State of Florida Department of Children and Families:			
Big Bend Community Based Care:			
Foster Care Title IV-E	93.658	0247	\$ 75,393
Social Services Block Grant	93.667	0247	21,906
ChildNet - Broward & Palm Beach:			
Foster Care Title IV-E	93.658	Other assistance	13,620
Social Services Block Grant	93.667	Other assistance	4,442
Children's Network of Southwest Florida:			
Foster Care Title IV-E	93.658	SAQ21	17,901
Social Services Block Grant	93.667	SAQ21	4,952
Promoting Safe and Stable Families	93.556	BAP05	1,561
Temporary Assistance for Needy Families	93.558	BAP05	72,640
Stephanie Tubbs Jones Child Welfare Services Program	93.645	BAP05	18,010
Foster Care Title IV-E	93.658	BAP05	198,447
Adoption Assistance	93.659	BAP05	56,043
Community Partnership for Children:			
Foster Care Title IV-E	93.658	D12-18-FBCH-CPA	233,655
Social Services Block Grant	93.667	D12-18-FBCH-CPA	15,186
Promoting Safe and Stable Families	93.556	D12-18-FBCH-CPA	1,450
Temporary Assistance for Needy Families	93.558	D12-18-FBCH-CPA	65,256
Stephanie Tubbs Jones Child Welfare Services Program	93.645	D12-18-FBCH-CPA	16,812
Adoption Assistance	93.659	D12-18-FBCH-CPA	43,792
Eckerd Community Alternatives:			
Promoting Safe and Stable Families	93.556	QJ511	331
Temporary Assistance for Needy Families	93.558	QJ511	9,779
Stephanie Tubbs Jones Child Welfare Services Program	93.645	QJ511	2,612
Foster Care Title IV-E	93.658	QJ511	28,027
Adoption Assistance	93.659	QJ511	6,997
Promoting Safe and Stable Families	93.556	QJ3E0	36
Temporary Assistance for Needy Families	93.558	QJ3E0	1,074
Stephanie Tubbs Jones Child Welfare Services Program	93.645	QJ3E0	287
Foster Care Title IV-E	93.658	QJ3E0	3,079
Adoption Assistance	93.659	QJ3E0	769
Embrace Families:			
Foster Care Title IV-E	93.658	SEMOROS-008-1819	21,288
Promoting Safe and Stable Families	93.556	SEMOROS-008-1819	166
Temporary Assistance for Needy Families	93.558	SEMOROS-008-1819	7,799
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SEMOROS-008-1819	1,896
Adoption Assistance	93.659	SEMOROS-008-1819	6,017
Foster Care Title IV-E	93.658	SEMOROS-005-1920	20,171
Promoting Safe and Stable Families	93.556	SEMOROS-005-1920	16
Temporary Assistance for Needy Families	93.558	SEMOROS-005-1920	615
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SEMOROS-005-1920	250
Adoption Assistance	93.659	SEMOROS-005-1920	398
Social Services Block Grant	93.667	SEMOROS-005-1920	6,050
Foster Care Title IV-E	93.658	GJL57	37,206
Social Services Block Grant	93.667	GJL57	13,508
Lakeview Center, Inc.:			
Foster Care Title IV-E	93.658	SFY 2018-19	125,879
Promoting Safe and Stable Families	93.556	SFY 2018-19	577
Temporary Assistance for Needy Families	93.558	SFY 2018-19	25,952
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SFY 2018-19	6,686
Adoption Assistance	93.659	SFY 2018-19	17,416
Social Services Block Grant	93.667	SFY 2018-19	15,615
Foster Care Title IV-E	93.658	SFY 2019-20	100,326
Promoting Safe and Stable Families	93.556	SFY 2019-20	936
Temporary Assistance for Needy Families	93.558	SFY 2019-20	43,027
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SFY 2019-20	11,959
Adoption Assistance	93.659	SFY 2019-20	5,259
Family Support Services of North Florida:			
Foster Care Title IV-E	93.658	DJ038	24,411
Social Services Block Grant	93.667	DJ038	7,093

FLORIDA BAPTIST CHILDREN'S HOMES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)
For The Year Ended December 31, 2019

Federal Agency	Federal CFDA Number	Contract/Grant Number	Expenditures
U.S. Department of Health and Human Services			
Passed through State of Florida Department of Children and Families (Continued):			
Heartland for Children:			
Foster Care Title IV-E	93.658	NFB01 & PFB01	\$ 180,680
Social Services Block Grant	93.667	NFB01 & PFB01	52,498
Foster Care Title IV-E	93.658	PFB01	59,733
Social Services Block Grant	93.667	PFB01	9,259
Temporary Assistance for Needy Families	93.558	PFB01	11,257
Adoption Assistance	93.659	PFB01	8,964
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PFB01	3,007
Promoting Safe and Stable Families	93.556	PFB01	381
Kids First Florida:			
Foster Care Title IV-E	93.658	DJ039	975
Social Services Block Grant	93.667	DJ039	354
Our Kids of Miami-Dade:			
Foster Care Title IV-E	93.658	Residential - Miami	124,252
Social Services Block Grant	93.667	Residential - Miami	36,103
Partnership for Strong Families:			
Foster Care Title IV-E	93.658	CJ149	48,389
Social Services Block Grant	93.667	CJ149	6,251
Temporary Assistance for Needy Families	93.558	CJ149	11,522
Adoption Assistance	93.659	CJ149	7,961
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CJ149	2,966
Promoting Safe and Stable Families	93.556	CJ149	303
Safe Children Coalition:			
Foster Care Title IV-E	93.658	FBCHOHCS18	85,252
Social Services Block Grant	93.667	FBCHOHCS18	24,750
U.S. Department of Justice			
Voices of Florida:			
Crime Victim Assistance	16.575	Voices of Florida	<u>817,693</u>
Total Expenditures of Federal Awards			<u>\$ 2,907,123</u>

State Agency	State CSFA Number	Contract/Grant Number	Expenditures
Florida Department of Children and Families			
Brevard Family Partnership:			
Sexually Exploited Children	60.138	GJ401	\$ 8,100
ChildNet - Broward & Palm Beach:			
Sexually Exploited Children	60.138	Other assistance	6,000
Children's Network of Southwest Florida:			
Sexually Exploited Children	60.138	SAQ21	32,647
Community Partnership for Children:			
Out-Of-Home Supports	60.074	D12-18-FBCH-CPA	134,589
Sexually Exploited Children	60.138	D12-18-FBCH-CPA	22,200
Eckerd Community Alternatives:			
Sexually Exploited Children	60.138	QJ511	6,600
Embrace Families:			
Sexually Exploited Children	60.138	GJL57	16,800
Lakeview Center, Inc.:			
Out-Of-Home Supports	60.074	SFY 2019-20	39,684
Family Support Services of North Florida:			
Sexually Exploited Children	60.138	DJ038	30,135
Heartland for Children:			
Sexually Exploited Children	60.138	NFB01 & PFB01	84,427
Our Kids of Miami-Dade:			
Extended Foster Care Program	60.141	Residential - Miami	2,189

FLORIDA BAPTIST CHILDREN'S HOMES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)
For The Year Ended December 31, 2019

State Agency	State CSFA Number	Contract/Grant Number	Expenditures
Florida Department of Children and Families (Continued):			
Voices of Florida:			
Florida Center for Children and Youth, Open Doors/Voices for Florida	41.024	Other assistance	\$ 197,375
State Appropriations:			
Services to Victims of Sexual Exploitation	60.152	TJ504	150,000
Florida Baptist Children's Home - Single Moms Program	60.165	LJ971	<u>145,820</u>
Total Expenditures of State Financial Assistance			<u>\$ 876,566</u>
Total Federal and State Awards			<u>\$ 3,783,689</u>

Reconciliation of Above Amounts as Reported by Federal CFDA and State CSFA Number

Federal Program Title	Federal CFDA Number	Expenditures
Foster Care Title IV-E	93.658	\$ 1,398,684
Crime Victim Assistance	16.575	817,693
Temporary Assistance for Needy Families	93.558	248,921
Social Services Block Grant	93.667	217,967
Adoption Assistance	93.659	153,616
Stephanie Tubbs Jones Child Welfare Services Program	93.645	64,485
Promoting Safe and Stable Families	93.556	<u>5,757</u>
Total Expenditures of Federal Awards by CFDA Number		<u>\$ 2,907,123</u>

State Awards Title	State CSFA Number	Expenditures
Sexually Exploited Children	60.138	\$ 206,909
Florida Center for Children and Youth, Open Doors/Voices for Florida	41.024	197,375
Out-Of-Home Supports	60.074	174,273
Services to Victims of Sexual Exploitation	60.152	150,000
Florida Baptist Children's Home - Single Moms Program	60.165	145,820
Extended Foster Care Program	60.141	<u>2,189</u>
Total Expenditures of State Awards by CSFA Number		<u>\$ 876,566</u>
Total Federal and State Awards		<u>\$ 3,783,689</u>

FLORIDA BAPTIST CHILDREN'S HOMES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For The Year Ended December 31, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance ("the Schedule") includes the federal and state award activity of Florida Baptist Children's Homes, Inc. ("the Organization") under programs of the federal and state government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.650 Rules of the 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 consolidated financial position, consolidated changes in net assets, or consolidated cash flows of the Organization.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COST RATE

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



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

The Board of Trustees
Florida Baptist Children's Homes, Inc.
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Florida Baptist Children's Homes, Inc. ("the Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, 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, and have issued our report thereon dated July 21, 2020, except for our report on the supplementary information for which the date is September 28, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
September 28, 2020



REPORT OF INDEPENDENT AUDITOR 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 AUDITOR GENERAL

The Board of Trustees
Florida Baptist Children's Homes, Inc.
Lakeland, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Florida Baptist Children's Homes, Inc.'s ("the Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects 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 December 31, 2019. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs – Federal Programs and State Projects.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("the Uniform Guidance"); and Chapter 10.650 Rules of the Auditor General. Those standards, the Uniform Guidance, 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 each major federal program and state project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the 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 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 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 the Uniform Guidance and Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
September 28, 2020

FLORIDA BAPTIST CHILDREN'S HOMES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS
For The Year Ended December 31, 2019

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Florida Baptist Children's Homes, Inc. ("the Organization") were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs and state projects are reported in the 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 Auditor General.
5. The auditor's report on compliance with requirements applicable to the major federal programs and state projects for the Organization expresses an unmodified opinion.
6. Our audit disclosed no findings required to be reported related to federal programs in accordance with 2 CFR section 200.516(a), nor did our audit disclose any findings related to state projects required to be disclosed in accordance with Chapter 10.656, Rules of the Auditor General.
7. The programs and projects tested as major programs and projects included the following:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
U.S. Department of Health and Human Services:	
Social Services Block Grant	93.667
Temporary Assistance for Needy Families	93.558
Crime Victims Assistance	16.575

<u>State Projects</u>	<u>State CSFA Number</u>
Florida Department of Children and Families:	
Out-of-Home Supports	60.074
Services to Victims of Sexual Exploitation	60.152
Florida Center for Children and Youth, Open Doors/Voices for Florida	41.024

8. The threshold used for distinguishing between Type A and B programs was \$750,000 for major federal programs and \$262,970 for major state projects.
9. The Organization did not qualify as a low-risk auditee.

FLORIDA BAPTIST CHILDREN'S HOMES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS
(Continued)
For The Year Ended December 31, 2019

B. FINDINGS

There are no findings to report.

C. OTHER ISSUES

No management letter is required because there were no findings required to be reported in the management letter under Rule 10.656(3)(e) of the Rules of the Auditor General.