

**FLORIDA BAPTIST CHILDREN’S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**  
Lakeland, Florida

CONSOLIDATED FINANCIAL STATEMENTS AND  
RELATED SUPPLEMENTAL INFORMATION AND REPORTS  
For The Year Ended December 31, 2022

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## REPORT OF INDEPENDENT AUDITOR

The Board of Directors  
Florida Baptist Children's Homes, Inc. d/b/a One More Child and Affiliates  
Lakeland, Florida

### Report on the Audit of the Consolidated Financial Statements

#### **Opinion**

We have audited the accompanying consolidated financial statements of Florida Baptist Children's Homes, Inc. d/b/a One More Child and Affiliates (collectively referred to herein as "the Organization"), which consist of the consolidated statement of financial position as of December 31, 2022, 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.

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. d/b/a One More Child and Affiliates as of December 31, 2022, 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.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Consolidated Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

We have previously audited the Florida Baptist Children's Homes, Inc. d/b/a One More Child and Affiliates' 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 24, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

#### ***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, 2022, the supplemental consolidating statements of activities and cash flows for the year ended December 31, 2022, 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 August 16, 2023 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.*

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida

July 11, 2023 (except for our report on the supplementary information for which the date is August 16, 2023)

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2022

(With Summarized Comparative Totals As Of December 31, 2021)

**ASSETS**

	December 31, 2022			December 31, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,485,989	\$ 5,742,504	\$ 15,228,493	\$ 21,801,519
Cash designated for long-term purposes	12,028,161	—	12,028,161	2,473,443
Assets restricted for long-term purposes	—	15,000,340	15,000,340	13,962,485
Investments	61,355,885	5,275,895	66,631,780	85,962,301
Property and equipment, net	26,841,276	—	26,841,276	24,456,622
Beneficial interest in perpetual trusts held by others	—	2,722,698	2,722,698	3,248,249
Other assets	4,768,850	—	4,768,850	2,953,888
<b>Total assets</b>	<b>\$ 114,480,161</b>	<b>\$ 28,741,437</b>	<b>\$ 143,221,598</b>	<b>\$ 154,858,507</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,840,045	\$ —	\$ 1,840,045	\$ 1,457,589
Present value of charitable gift annuities payable	—	1,206,371	1,206,371	353,315
<b>Total liabilities</b>	<b>1,840,045</b>	<b>1,206,371</b>	<b>3,046,416</b>	<b>1,810,904</b>
<b>NET ASSETS</b>				
Without donor restrictions				
Operating	73,770,679	—	73,770,679	98,040,837
Net investment in property and equipment	26,841,276	—	26,841,276	24,456,622
Board designated	12,028,161	—	12,028,161	2,473,443
Total net assets without donor restrictions	112,640,116	—	112,640,116	124,970,902
With donor restrictions	—	27,535,066	27,535,066	28,076,701
<b>Total net assets</b>	<b>112,640,116</b>	<b>27,535,066</b>	<b>140,175,182</b>	<b>153,047,603</b>
<b>Total liabilities and net assets</b>	<b>\$ 114,480,161</b>	<b>\$ 28,741,437</b>	<b>\$ 143,221,598</b>	<b>\$ 154,858,507</b>

# FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES

## CONSOLIDATED STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2022

(With Summarized Comparative Totals For The Year Ended December 31, 2021)

	For The Year Ended December 31, 2022			For The Year
	Without Donor	With Donor	Total	Ended
	Restrictions	Restrictions		December 31,
				2021
<b>PUBLIC SUPPORT AND REVENUE AND NET ASSETS</b>				
<b>RELEASED FROM RESTRICTIONS</b>				
Contributions - noncash	\$ 38,350,977	\$ —	\$ 38,350,977	\$ 29,178,217
Contributions - cash	16,834,150	2,594,208	19,428,358	16,025,240
Net (loss) gain on investments	(14,081,985)	(2,854,921)	(16,936,906)	13,391,603
Child support and contracts	5,325,665	—	5,325,665	4,906,093
Net gain on sales of property and equipment	120,100	—	120,100	1,827,661
Interest and dividend income	1,120,936	276,475	1,397,411	1,283,879
Other revenue	459,362	—	459,362	617,891
Change in beneficial interest in perpetual trusts held by others	—	(525,551)	(525,551)	189,508
Net change in present value of charitable gift annuities payable	—	68,154	68,154	103,218
Net assets released from time and use restrictions	100,000	(100,000)	—	—
	<u>48,229,205</u>	<u>(541,635)</u>	<u>47,687,570</u>	<u>67,523,310</u>
<b>Total public support and revenue and net assets released from restrictions</b>				
<b>EXPENSES</b>				
Program services				
Compassion ministries	38,303,656	—	38,303,656	28,978,146
Foster care	3,772,788	—	3,772,788	3,514,181
Other programs	2,576,869	—	2,576,869	1,567,104
Anti-trafficking	2,574,682	—	2,574,682	1,868,219
Global	2,462,702	—	2,462,702	1,629,657
Campus ministries	1,347,243	—	1,347,243	1,248,762
Single moms	1,237,703	—	1,237,703	973,895
Family support	976,269	—	976,269	644,312
	<u>53,251,912</u>	<u>—</u>	<u>53,251,912</u>	<u>40,424,276</u>
Total program services				
Support services				
General administration	3,013,725	—	3,013,725	2,398,600
Promotion and development	4,294,354	—	4,294,354	3,440,885
	<u>7,308,079</u>	<u>—</u>	<u>7,308,079</u>	<u>5,839,485</u>
Total support services				
	<u>60,559,991</u>	<u>—</u>	<u>60,559,991</u>	<u>46,263,761</u>
<b>Total expenses</b>				
<b>CHANGE IN NET ASSETS</b>	<b>(12,330,786)</b>	<b>(541,635)</b>	<b>(12,872,421)</b>	<b>21,259,549</b>
<b>NET ASSETS - Beginning of year</b>	<b>124,970,902</b>	<b>28,076,701</b>	<b>153,047,603</b>	<b>131,788,054</b>
<b>NET ASSETS - End of year</b>	<b>\$ 112,640,116</b>	<b>\$ 27,535,066</b>	<b>\$ 140,175,182</b>	<b>\$ 153,047,603</b>

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

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2022

(With Summarized Comparative Totals For The Year Ended December 31, 2021)

	For The Years Ended December 31,	
	2022	2021
<b>OPERATING CASH FLOWS</b>		
Cash received from contributors	\$ 16,648,907	\$ 13,442,085
Cash received for child support and contracts	5,516,710	4,236,402
Cash received from interest and dividends	1,397,411	1,283,879
Other revenue received	459,362	617,891
Cash paid for operating activities and costs	<u>(22,186,602)</u>	<u>(17,726,341)</u>
<b>Net operating cash flows</b>	<b><u>1,835,788</u></b>	<b><u>1,853,916</u></b>
<b>INVESTING CASH FLOWS</b>		
Net sales (purchases) of investments	2,393,615	(1,395,128)
Net investment in assets restricted for long-term purposes	(681,089)	(616)
Net proceeds from sales of property and equipment	128,626	6,067,313
Purchases of and improvements to property and equipment	<u>(3,117,933)</u>	<u>(3,749,536)</u>
<b>Net investing cash flows</b>	<b><u>(1,276,781)</u></b>	<b><u>922,033</u></b>
<b>FINANCING CASH FLOWS</b>		
Proceeds from contributions restricted for:		
Investment in property and equipment	2,675,891	2,565,060
Endowment	<u>103,560</u>	<u>18,095</u>
<b>Net financing cash flows</b>	<b><u>2,779,451</u></b>	<b><u>2,583,155</u></b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH</b>	<b>3,338,458</b>	<b>5,359,104</b>
<b>CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - Beginning of year</b>	<b><u>28,257,659</u></b>	<b><u>22,898,555</u></b>
<b>CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - End of year</b>	<b><u>\$ 31,596,117</u></b>	<b><u>\$ 28,257,659</u></b>
<b>REPORTED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS FOLLOWS</b>		
Cash and cash equivalents	\$ 15,228,493	\$ 21,801,519
Cash designated for long-term purposes	12,028,161	2,473,443
Restricted cash included in "Assets restricted for long-term purposes"	<u>4,339,463</u>	<u>3,982,697</u>
<b>Total cash and cash equivalents, designated cash, and restricted cash</b>	<b><u>\$ 31,596,117</u></b>	<b><u>\$ 28,257,659</u></b>

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

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
For The Year Ended December 31, 2022  
(With Summarized Comparative Totals For The Year Ended December 31, 2021)

	For The Year Ended December 31, 2022								
	Program services								
	Compassion ministries	Foster care	Other programs	Anti-trafficking	Global	Campus ministries	Single moms	Family support	Total program services
Salaries and related expenses									
Salaries	\$ 759,167	\$ 2,065,845	\$ 1,485,400	\$ 1,636,616	\$ 401,689	\$ 261,698	\$ 413,843	\$ 506,543	\$ 7,530,801
Payroll taxes	51,465	150,703	101,076	121,381	29,825	19,740	29,939	37,898	542,027
Employee benefits	38,214	107,773	120,716	66,274	35,644	24,063	43,798	17,989	454,471
Total salaries and related expenses	<u>848,846</u>	<u>2,324,321</u>	<u>1,707,192</u>	<u>1,824,271</u>	<u>467,158</u>	<u>305,501</u>	<u>487,580</u>	<u>562,430</u>	<u>8,527,299</u>
Client care									
Gift in kind	36,500,702	—	—	—	—	—	—	—	36,500,702
International projects	—	—	—	—	810,441	—	—	—	810,441
International sponsorship	—	—	—	—	596,783	—	—	—	596,783
International travel	—	—	—	—	320,265	—	—	—	320,265
Other client care	39,395	112,456	—	40	—	—	56,543	21,008	229,442
Food	138,424	—	—	2,254	—	—	—	13,114	153,792
Supplies	15,625	332	12,594	719	—	4,975	16,442	9,824	60,511
Foster home payments	—	6,943	—	—	—	—	—	—	6,943
Activities	—	—	—	5,407	—	—	—	—	5,407
Clothing	—	—	—	710	—	—	—	—	710
Medical/dental	—	—	—	685	—	—	—	—	685
Allowances/work	—	—	—	420	—	—	—	—	420
Total client care	<u>36,694,146</u>	<u>119,731</u>	<u>12,594</u>	<u>10,235</u>	<u>1,727,489</u>	<u>4,975</u>	<u>72,985</u>	<u>43,946</u>	<u>38,686,101</u>
Other expenses									
Insurance	163,867	504,138	256,490	393,484	68,065	127,844	117,665	103,252	1,734,805
Promotion and development	9,589	14,242	53,621	14,906	24,881	—	23,530	63,584	204,353
Travel	238,942	83,354	153,097	139,331	101,827	18,394	8,236	11,948	755,129
Professional services	9,501	90,616	73,011	19,853	5,242	34,904	125,571	77,298	435,996
Office supplies	66,202	92,843	133,578	69,349	22,596	11,202	20,470	46,773	463,013
Utilities	57,252	187,523	20,118	19,638	3,706	73,480	197,442	20,697	579,856
Repairs and maintenance	108,812	57,738	6,361	12,183	—	184,968	93,970	6,359	470,391
Other	78,144	43,309	—	17,709	—	361	7,695	19,975	167,193
Telephone	8,760	68,216	18,871	23,014	4,936	15,383	66,071	4,065	209,316
Memberships and training	12,604	52,472	44,973	16,951	890	1,695	1,215	11,293	142,093
Meetings and exhibits	360	—	51,987	135	—	—	—	—	52,482
Bank fees	—	—	—	—	29,922	—	—	—	29,922
Recruiting and hiring	5,254	9,522	4,568	13,468	1,234	590	1,975	4,592	41,203
Furnishings and capital	—	998	—	—	—	4,575	9,716	—	15,289
Postage	1,377	3,201	1,574	155	4,756	84	386	57	11,590
Grants	—	30,000	—	—	—	—	—	—	30,000
Trustee travel	—	—	—	—	—	—	—	—	—
Scholarship	—	—	—	—	—	—	3,196	—	3,196
Total other expenses	<u>760,664</u>	<u>1,238,172</u>	<u>818,249</u>	<u>740,176</u>	<u>268,055</u>	<u>473,480</u>	<u>677,138</u>	<u>369,893</u>	<u>5,345,827</u>
Total expenses before depreciation	<u>38,303,656</u>	<u>3,682,224</u>	<u>2,538,035</u>	<u>2,574,682</u>	<u>2,462,702</u>	<u>783,956</u>	<u>1,237,703</u>	<u>976,269</u>	<u>52,559,227</u>
Depreciation	—	90,564	38,834	—	—	563,287	—	—	692,685
<b>Total expenses</b>	<b>\$ 38,303,656</b>	<b>\$ 3,772,788</b>	<b>\$ 2,576,869</b>	<b>\$ 2,574,682</b>	<b>\$ 2,462,702</b>	<b>\$ 1,347,243</b>	<b>\$ 1,237,703</b>	<b>\$ 976,269</b>	<b>\$ 53,251,912</b>

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

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)**  
**For The Year Ended December 31, 2022**  
**(With Summarized Comparative Totals For The Year Ended December 31, 2021)**

	For The Year Ended December 31, 2022				For The Year Ended December 31, 2021	
	Total program services	Support services		Total support services	Total expenses	Total expenses
		General administration	Promotion and development			
Salaries and related expenses						
Salaries	\$ 7,530,801	\$ 1,455,238	\$ 1,859,453	\$ 3,314,691	\$ 10,845,492	\$ 8,411,368
Payroll taxes	542,027	86,226	128,450	214,676	756,703	580,758
Employee benefits	454,471	116,028	102,905	218,933	673,404	643,499
Total salaries and related expenses	<u>8,527,299</u>	<u>1,657,492</u>	<u>2,090,808</u>	<u>3,748,300</u>	<u>12,275,599</u>	<u>9,635,625</u>
Client care						
Gift in kind	36,500,702	—	—	—	36,500,702	27,620,299
International projects	810,441	—	—	—	810,441	618,596
International sponsorship	596,783	—	—	—	596,783	499,569
International travel	320,265	—	—	—	320,265	31,213
Other client care	229,442	—	—	—	229,442	104,722
Food	153,792	—	—	—	153,792	104,917
Supplies	60,511	—	12,594	12,594	73,105	28,756
Foster home payments	6,943	—	—	—	6,943	9,993
Activities	5,407	—	—	—	5,407	72,175
Clothing	710	—	—	—	710	2,623
Medical/dental	685	—	—	—	685	924
Allowances/work	420	—	—	—	420	1,030
Total client care	<u>38,686,101</u>	<u>—</u>	<u>12,594</u>	<u>12,594</u>	<u>38,698,695</u>	<u>29,094,817</u>
Other expenses						
Insurance	1,734,805	245,378	330,379	575,757	2,310,562	2,053,810
Promotion and development	204,353	—	1,212,729	1,212,729	1,417,082	934,316
Travel	755,129	49,393	146,668	196,061	951,190	471,914
Professional services	435,996	356,595	141,161	497,756	933,752	493,166
Office supplies	463,013	231,164	112,439	343,603	806,616	753,799
Utilities	579,856	11,165	28,590	39,755	619,611	588,941
Repairs and maintenance	470,391	1,595	4,811	6,406	476,797	433,330
Other	167,193	278,448	—	278,448	445,641	362,992
Telephone	209,316	14,705	31,154	45,859	255,175	203,138
Memberships and training	142,093	50,404	26,686	77,090	219,183	172,543
Meetings and exhibits	52,482	—	51,987	51,987	104,469	53,434
Bank fees	29,922	9,724	57,704	67,428	97,350	68,222
Recruiting and hiring	41,203	3,894	33,760	37,654	78,857	77,204
Furnishings and capital	15,289	23,768	—	23,768	39,057	92,173
Postage	11,590	11,386	12,884	24,270	35,860	34,782
Grants	30,000	—	—	—	30,000	—
Trustee travel	—	25,546	—	25,546	25,546	13,684
Scholarship	3,196	11,000	—	11,000	14,196	26,608
Total other expenses	<u>5,345,827</u>	<u>1,324,165</u>	<u>2,190,952</u>	<u>3,515,117</u>	<u>8,860,944</u>	<u>6,834,056</u>
Total expenses before depreciation	52,559,227	2,981,657	4,294,354	7,276,011	59,835,238	45,564,498
Depreciation	692,685	32,068	—	32,068	724,753	699,263
<b>Total expenses</b>	<b>\$ 53,251,912</b>	<b>\$ 3,013,725</b>	<b>\$ 4,294,354</b>	<b>\$ 7,308,079</b>	<b>\$ 60,559,991</b>	<b>\$ 46,263,761</b>

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

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE A – NATURE OF ACTIVITIES**

Florida Baptist Children's Homes, Inc. d/b/a One More Child ("the Organization") is a faith-based not-for-profit corporation dedicated to providing Christ-centered services to vulnerable children and struggling families. The Organization is a cooperating ministry of the Florida Baptist State Convention. The Organization serves foster families, trafficking victims, hungry children, single moms, and struggling families in service centers and through initiatives and volunteer opportunities across the United States and around the world.

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 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 has the authority to appoint FBCH Land Holdings, Inc.'s board of directors.
- FBCH Land Holdings II, Inc. – a not-for-profit Florida corporation established for the purpose of holding title to certain real property. The Organization has the authority to appoint FBCH Land Holdings II, Inc.'s board of directors.
- One More Child Foundation, Inc. ("the Foundation") – a not-for-profit Florida corporation established for the purpose of pursuing and administering non-traditional donations for the benefit of the Organization. The Organization has the authority to appoint 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."

Child support and contracts revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled for providing child support and other services. Such amounts are generally due from Florida community-based care lead agencies and other state institutions. Generally, the Organization invoices such agencies and institutions throughout the year as services are provided. Revenue is recognized in the period the related services are provided. Performance obligations are determined based on the nature of the services provided by the Organization. Generally, the Organization measures the performance obligation for child support from when a child is placed into the care of the Organization, to the point when the Organization is no longer required to provide such support services. The Organization determines the transaction prices based on agreed upon rate agreements and contract terms.

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**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.

**Cash designated for long-term purposes**

Cash designated for long-term purposes is designated by the Board of Directors for various purposes as described in Note J.

**Investments**

Investments consist of common and preferred stocks, 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.

**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. In general, management estimates the fair value of noncash contributions using online pricing sources. Noncash contributions are not monetized and all noncash contributions were received without donor restrictions.

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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, 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**

The Financial Accounting Standards Board issued Accounting Standards Update ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, to improve transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The ASU is effective for the Organization's consolidated financial statements for the year ended December 31, 2022. The ASU requires that contributed nonfinancial assets be presented separately in the consolidated statements of activities. New disclosures are also required to disaggregate contributed nonfinancial assets by category type and other qualitative information about utilization, policies, and valuation techniques. The provisions of the ASU have been retrospectively applied to the Organization's consolidated financial statements for the year ended December 31, 2021, as required by applicable guidance.

**Subsequent events**

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

**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>2022</u>	<u>2021</u>
Financial assets available:		
Cash and cash equivalents	\$ 15,228,493	\$ 21,801,519
Cash designated for long-term purposes	12,028,161	2,473,443
Cash and investments restricted for long-term purposes (see Note F)	14,200,340	13,062,485
Investments	<u>66,631,780</u>	<u>85,962,301</u>
Total financial assets available	108,088,774	123,299,748

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

	December 31,	
	2022	2021
Total financial assets available	\$108,088,774	\$123,299,748
Less amounts unavailable for general expenditure within one year due to:		
Board designations	(12,028,161)	(2,473,443)
Donor-imposed restrictions	<u>(19,996,804)</u>	<u>(21,164,513)</u>
Net financial assets available within one year	<u>\$ 76,063,809</u>	<u>\$ 99,661,792</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 expenditure within the next year; however, the Board of Directors could make them available, if necessary.

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 expenditure within one year of December 31, 2022 and 2021, and are excluded from net financial assets available to meet general expenditures within one year. Certain other donor-restricted net assets are available for general expenditure within one year, because the restrictions on the net assets are expected to be met by conducting the normal activities of the Organization in the coming 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.

**NOTE E – INVESTMENTS**

Investments, including investments restricted for long-term purposes (see Note F), consisted of the following:

	December 31,	
Category	2022	2021
Common and preferred stocks	\$ 53,942,412	\$ 72,569,734
Debt securities	20,013,137	19,010,913
Mutual funds	<u>2,537,108</u>	<u>3,461,442</u>
Total investments	<u>\$ 76,492,657</u>	<u>\$ 95,042,089</u>

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE F – ASSETS RESTRICTED FOR LONG-TERM PURPOSES**

Assets restricted for long-term purposes consisted of the following:

Category	December 31,	
	2022	2021
Cash and cash equivalents	\$ 4,339,463	\$ 3,982,697
Investments	9,860,877	9,079,788
Pledge receivable	800,000	900,000
Total assets restricted for long-term purposes	\$ 15,000,340	\$ 13,962,485

Assets restricted for long-term purposes were restricted for the following purposes:

Category	December 31,	
	2022	2021
Endowment funds and trusts	\$ 8,044,670	\$ 7,941,110
Capital improvements	4,939,171	4,880,767
Net investments held for charitable gift annuities	2,016,499	1,140,608
Total assets restricted for long-term purposes	\$ 15,000,340	\$ 13,962,485

**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.

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE G – FAIR VALUE MEASUREMENTS (Continued)**

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, 2022, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 53,942,412	\$ 53,942,412	\$ —	\$ —
Debt securities	20,013,137	20,013,137	—	—
Mutual funds	2,537,108	2,537,108	—	—
Beneficial interest in perpetual trusts held by others	<u>2,722,698</u>	<u>—</u>	<u>—</u>	<u>2,722,698</u>
Total	<u>\$ 79,215,355</u>	<u>\$ 76,492,657</u>	<u>\$ —</u>	<u>\$ 2,722,698</u>
Present value of charitable gift annuities payable	<u>\$ (1,206,371)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1,206,371)</u>

Estimated fair value of certain assets (liabilities) measured on a recurring basis at December 31, 2021, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 72,569,734	\$ 72,569,734	\$ —	\$ —
Debt securities	19,010,913	19,010,913	—	—
Mutual funds	3,461,442	3,461,442	—	—
Beneficial interest in perpetual trusts held by others	<u>3,248,249</u>	<u>—</u>	<u>—</u>	<u>3,248,249</u>
Total	<u>\$ 98,290,338</u>	<u>\$ 95,042,089</u>	<u>\$ —</u>	<u>\$ 3,248,249</u>
Present value of charitable gift annuities payable	<u>\$ (353,315)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (353,315)</u>

The change in the components of financial instruments measured using Level 3 inputs in each of the years 2022 and 2021 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>2022</u>	<u>2021</u>
Beneficial interest in perpetual trusts held by others	\$ 1,439,400	\$ 1,853,389
Beneficial interest in perpetual trusts held by Florida Baptist Foundation, Inc. ("FBF")	<u>1,283,298</u>	<u>1,394,860</u>
Total beneficial interest in perpetual trusts held by others	<u>\$ 2,722,698</u>	<u>\$ 3,248,249</u>

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE I – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

Category	December 31,	
	2022	2021
Land	\$ 6,259,121	\$ 6,259,121
Buildings and building improvements	24,264,358	23,667,755
Furniture and equipment	2,072,401	1,866,936
Vehicles	1,288,793	1,085,421
Construction in progress	3,440,770	1,412,955
Total	37,325,443	34,292,188
Less: Accumulated depreciation	(10,484,167)	(9,835,566)
Net property and equipment	\$ 26,841,276	\$ 24,456,622

Depreciation expense amounted to \$724,753 and \$699,263 for 2022 and 2021, respectively. During 2021, the Organization sold certain property and equipment for approximately \$6,067,000. The sales resulted in a net gain of \$1,827,661 which is included in the accompanying 2021 consolidated statement of activities as "net gain on sales of property and equipment."

**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, 2022 and 2021:

Category	December 31,	
	2022	2021
Capital improvements	\$ 10,451,420	\$ 826,476
Capital repairs	1,102,965	1,099,206
Vehicle repairs	442,838	459,336
Insurance reserve	30,938	88,425
Total board designated net assets	\$ 12,028,161	\$ 2,473,443

**NOTE K – NET ASSETS WITH RESTRICTIONS**

Net assets with restrictions were for the following purposes during 2022:

	Balance January 1	Contributions	Investment Income, net and Other	Disbursements/ Releases	Balance December 31
Endowment corpus with distributions available for general operating purposes	\$ 7,203,724	\$ 103,060	\$ —	\$ —	\$ 7,306,784
Appreciation on endowment net assets	7,419,945	—	(2,407,323)	—	5,012,622
Capital improvements	4,880,767	158,404	—	(100,000)	4,939,171
Other time and use restrictions	1,358,219	1,157,787	64,298	—	2,580,304

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE K - NET ASSETS WITH RESTRICTIONS (Continued)**

	Balance		Investment		Balance
	<u>January 1</u>	<u>Contributions</u>	<u>Income, net</u>	<u>Disbursements/</u>	<u>December 31</u>
			<u>and Other</u>	<u>Releases</u>	
Net investment held for charitable gift annuities	\$ 1,140,608	\$ 1,043,158	\$ (167,267)	\$ —	\$ 2,016,499
Beneficial interest in perpetual trusts held by others	1,853,389	—	(413,989)	—	1,439,400
Global	1,305,720	129,540	—	—	1,435,260
Beneficial interest in perpetual trusts held by FBF	1,394,860	—	(111,562)	—	1,283,298
Scholarships	782,083	1,759	—	—	783,842
Endowment corpus with distributions restricted for various purposes	<u>737,386</u>	<u>500</u>	<u>—</u>	<u>—</u>	<u>737,886</u>
<b>Total</b>	<b><u>\$ 28,076,701</u></b>	<b><u>\$ 2,594,208</u></b>	<b><u>\$ (3,035,843)</u></b>	<b><u>\$ (100,000)</u></b>	<b><u>\$ 27,535,066</u></b>

Net assets with restrictions were for the following purposes during 2021:

	Balance		Investment		Balance
	<u>January 1</u>	<u>Contributions</u>	<u>Income, net</u>	<u>Disbursements/</u>	<u>December 31</u>
			<u>and Other</u>	<u>Releases</u>	
Appreciation on endowment net assets	\$ 5,104,634	\$ —	\$ 2,315,311	\$ —	\$ 7,419,945
Endowment corpus with distributions available for general operating purposes	7,189,629	14,095	—	—	7,203,724
Capital improvements	4,803,067	177,700	—	(100,000)	4,880,767
Beneficial interest in perpetual trusts held by others	1,691,007	—	162,382	—	1,853,389
Beneficial interest in perpetual trusts held by FBF	1,367,734	—	27,126	—	1,394,860
Other time and use restrictions	543,772	778,096	36,351	—	1,358,219
Global	1,242,769	62,951	—	—	1,305,720
Net investment held for charitable gift annuities	1,112,800	—	271,872	(244,064)	1,140,608
Scholarships	793,441	—	—	(11,358)	782,083
Endowment corpus with distributions restricted for various purposes	<u>733,386</u>	<u>4,000</u>	<u>—</u>	<u>—</u>	<u>737,386</u>
<b>Total</b>	<b><u>\$ 24,582,239</u></b>	<b><u>\$ 1,036,842</u></b>	<b><u>\$ 2,813,042</u></b>	<b><u>\$ (355,422)</u></b>	<b><u>\$ 28,076,701</u></b>

**FLORIDA BAPTIST CHILDREN’S HOMES, INC. D/B/A ONE MORE CHILD  
AND AFFILIATES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE K – NET ASSETS WITH RESTRICTIONS (Continued)**

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 “endowment 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**

Noncash contributions recognized in the consolidated statements of activities included:

Category	December 31,	
	2022	2021
Clothing, toys, daily living essentials, and other	\$ 24,413,343	\$ 12,390,242
Food and beverages	13,937,634	16,787,975
Total noncash contributions	\$ 38,350,977	\$ 29,178,217

**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”). The Plan covers all employees of the Organization meeting certain eligibility requirements. The Organization contributed approximately \$610,000 and \$538,000 to the Plan during 2022 and 2021, 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, 2022 and 2021, 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 \$912,000 and \$987,000 from Florida Baptist Convention, Inc. related to this program during 2022 and 2021, respectively. These amounts are included within “contributions without donor restrictions” in the accompanying consolidated statements of activities.

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022

(With Comparative Information For December 31, 2021)

**NOTE O – TRANSACTIONS WITH COOPERATING MINISTRIES (Continued)**

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 \$3,264,000 and \$4,121,000 of the Organization's cash and investments as of December 31, 2022 and 2021, respectively. Further, the Organization had a beneficial interest in trusts held by FBF in the amount of \$1,283,298 and \$1,394,860 as of December 31, 2022 and 2021, respectively.

**NOTE P – COMMITMENTS**

During 2022, FBCH Land Holdings, Inc. entered into various contracts for the construction of various foster family and single mom homes. The contracts total approximately \$3,760,000, of which approximately \$3,168,000 remained unpaid as of December 31, 2022 and will be paid as the terms of the contracts are fulfilled.

## **Supplemental Information**

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**  
**SUPPLEMENTAL CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
December 31, 2022  
(UNAUDITED)

ASSETS						
	Florida Baptist Children's Homes, Inc.	FBCH Land Holdings, Inc.	FBCH Land Holdings II, Inc.	One More Child Foundation, Inc.	Eliminations	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 12,707,822	\$ 506,067	\$ 3,729	\$ 2,010,875	\$ —	\$ 15,228,493
Cash designated for long-term purposes	1,576,741	10,451,420	—	—	—	12,028,161
Assets restricted for long-term purposes	3,076,647	4,139,171	—	7,784,522	—	15,000,340
Investments	6,410,380	—	—	60,221,400	—	66,631,780
Property and equipment, net	631,747	26,209,529	—	—	—	26,841,276
Beneficial interest in perpetual trusts held by others	2,722,698	—	—	—	—	2,722,698
Other assets	6,043,850	520,263	—	—	(1,795,263)	4,768,850
<b>Total assets</b>	<b>\$ 33,169,885</b>	<b>\$ 41,826,450</b>	<b>\$ 3,729</b>	<b>\$ 70,016,797</b>	<b>\$ (1,795,263)</b>	<b>\$ 143,221,598</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 2,435,308	\$ 1,200,000	\$ —	\$ —	\$ (1,795,263)	\$ 1,840,045
Present value of charitable gift annuities payable	1,206,371	—	—	—	—	1,206,371
<b>Total liabilities</b>	<b>3,641,679</b>	<b>1,200,000</b>	<b>—</b>	<b>—</b>	<b>(1,795,263)</b>	<b>3,046,416</b>
<b>NET ASSETS</b>						
Without donor restrictions						
Operating	16,325,054	(173,670)	3,729	57,615,566	—	73,770,679
Net investment in property and equipment	631,747	26,209,529	—	—	—	26,841,276
Board designated	1,576,741	10,451,420	—	—	—	12,028,161
Total net assets without donor restrictions	18,533,542	36,487,279	3,729	57,615,566	—	112,640,116
With donor restrictions	10,994,664	4,139,171	—	12,401,231	—	27,535,066
<b>Total net assets</b>	<b>29,528,206</b>	<b>40,626,450</b>	<b>3,729</b>	<b>70,016,797</b>	<b>—</b>	<b>140,175,182</b>
<b>Total liabilities and net assets</b>	<b>\$ 33,169,885</b>	<b>\$ 41,826,450</b>	<b>\$ 3,729</b>	<b>\$ 70,016,797</b>	<b>\$ (1,795,263)</b>	<b>\$ 143,221,598</b>

# FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES

## SUPPLEMENTAL CONSOLIDATING STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2022

(UNAUDITED)

	Florida Baptist Children's Homes, Inc.	FBCH Land Holdings, Inc.	FBCH Land Holdings II, Inc.	One More Child Foundation, Inc.	Eliminations	Total
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>						
Public support and revenue						
Contributions - noncash	\$ 38,350,977	\$ —	\$ —	\$ —	\$ —	\$ 38,350,977
Contributions - cash	16,826,341	—	—	7,809	—	16,834,150
Net loss on investments	(1,452,565)	—	—	(12,629,420)	—	(14,081,985)
Child support and contracts	5,325,665	—	—	—	—	5,325,665
Net gain on sales of property and equipment	120,100	—	—	—	—	120,100
Interest and dividend income	132,324	—	—	988,612	—	1,120,936
Other revenue	458,343	1,019	—	—	—	459,362
Grant from affiliates	3,233,573	4,732,186	—	—	(7,965,759)	—
Total public support and revenue	62,994,758	4,733,205	—	(11,632,999)	(7,965,759)	48,129,205
Net assets released from time and use restrictions	100,000	—	—	—	—	100,000
Total public support and revenue and net assets released from time and use restrictions	63,094,758	4,733,205	—	(11,632,999)	(7,965,759)	48,229,205
Expenses						
Program services						
Compassion ministries	38,303,656	—	—	—	—	38,303,656
Foster care	3,689,571	83,217	—	—	—	3,772,788
Other programs	2,538,035	38,834	—	—	—	2,576,869
Anti-trafficking	2,574,682	—	—	—	—	2,574,682
Global	2,462,702	—	—	—	—	2,462,702
Campus ministries	914,516	432,727	—	—	—	1,347,243
Single moms	1,237,703	—	—	—	—	1,237,703
Family support	976,269	—	—	—	—	976,269
Grant to affiliates	4,732,186	60,000	2,500	3,171,073	(7,965,759)	—
Total program services	57,429,320	614,778	2,500	3,171,073	(7,965,759)	53,251,912
Support services						
General administration	3,012,668	917	70	70	—	3,013,725
Promotion and development	4,294,354	—	—	—	—	4,294,354
Total support services	7,307,022	917	70	70	—	7,308,079
Total expenses	64,736,342	615,695	2,570	3,171,143	(7,965,759)	60,559,991
<b>Change in net assets without donor restrictions</b>	<b>(1,641,584)</b>	<b>4,117,510</b>	<b>(2,570)</b>	<b>(14,804,142)</b>	<b>—</b>	<b>(12,330,786)</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>						
Contributions	2,594,208	—	—	—	—	2,594,208
Net loss on investments	(363,799)	—	—	(2,491,122)	—	(2,854,921)
Interest and dividend income	17,161	—	—	259,314	—	276,475
Change in beneficial interest in perpetual trusts held by others	(525,551)	—	—	—	—	(525,551)
Net change in present value of charitable gift annuities payable	68,154	—	—	—	—	68,154
Net assets released from time and use restrictions	(100,000)	—	—	—	—	(100,000)
Grant to/from affiliates	(261,964)	158,404	—	103,560	—	—
<b>Change in net assets with donor restrictions</b>	<b>1,428,209</b>	<b>158,404</b>	<b>—</b>	<b>(2,128,248)</b>	<b>—</b>	<b>(541,635)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(213,375)</b>	<b>4,275,914</b>	<b>(2,570)</b>	<b>(16,932,390)</b>	<b>—</b>	<b>(12,872,421)</b>
<b>NET ASSETS - Beginning of year</b>	<b>29,741,581</b>	<b>36,350,536</b>	<b>6,299</b>	<b>86,949,187</b>	<b>—</b>	<b>153,047,603</b>
<b>NET ASSETS - End of year</b>	<b>\$ 29,528,206</b>	<b>\$ 40,626,450</b>	<b>\$ 3,729</b>	<b>\$ 70,016,797</b>	<b>\$ —</b>	<b>\$ 140,175,182</b>

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**  
**SUPPLEMENTAL CONSOLIDATING STATEMENT OF CASH FLOWS**  
For The Year Ended December 31, 2022  
(UNAUDITED)

	Florida Baptist Children's Homes, Inc.	FBCH Land Holdings, Inc.	FBCH Land Holdings II, Inc.	One More Child Foundation, Inc.	Eliminations	Total
<b>OPERATING CASH FLOWS</b>						
Cash received from contributors	\$ 16,641,098	\$ —	\$ —	\$ 7,809	\$ —	\$ 16,648,907
Cash received for child support and contracts	5,516,710	—	—	—	—	5,516,710
Cash received from interest and dividends	149,485	—	—	1,247,926	—	1,397,411
Cash received from affiliates	3,233,573	4,425,705	—	—	(7,659,278)	—
Other revenue received	458,343	1,019	—	—	—	459,362
Cash paid for operating activities and costs	<u>(26,822,714)</u>	<u>(60,917)</u>	<u>(5,070)</u>	<u>(3,219,143)</u>	<u>7,921,242</u>	<u>(22,186,602)</u>
<b>Net operating cash flows</b>	<b><u>(823,505)</u></b>	<b><u>4,365,807</u></b>	<b><u>(5,070)</u></b>	<b><u>(1,963,408)</u></b>	<b><u>261,964</u></b>	<b><u>1,835,788</u></b>
<b>INVESTING CASH FLOWS</b>						
Net sales of investments	516,421	—	—	1,877,194	—	2,393,615
Net investment in assets restricted for long-term purposes	(577,529)	—	—	(103,560)	—	(681,089)
Net proceeds from sales of property and equipment	128,626	—	—	—	—	128,626
Purchases of and improvements to property and equipment	(493,515)	(2,624,418)	—	—	—	(3,117,933)
Grant to/from affiliates of assets restricted for long-term purposes	<u>—</u>	<u>158,404</u>	<u>—</u>	<u>—</u>	<u>(158,404)</u>	<u>—</u>
<b>Net investing cash flows</b>	<b><u>(425,997)</u></b>	<b><u>(2,466,014)</u></b>	<b><u>—</u></b>	<b><u>1,773,634</u></b>	<b><u>(158,404)</u></b>	<b><u>(1,276,781)</u></b>
<b>FINANCING CASH FLOWS</b>						
Proceeds from contributions restricted for:						
Investment in property and equipment	2,675,891	—	—	—	—	2,675,891
Endowment	103,560	—	—	—	—	103,560
Grant to/from affiliates restricted for long-term endowment	<u>—</u>	<u>—</u>	<u>—</u>	<u>103,560</u>	<u>(103,560)</u>	<u>—</u>
<b>Net financing cash flows</b>	<b><u>2,779,451</u></b>	<b><u>—</u></b>	<b><u>—</u></b>	<b><u>103,560</u></b>	<b><u>(103,560)</u></b>	<b><u>2,779,451</u></b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH</b>	<b>1,529,949</b>	<b>1,899,793</b>	<b>(5,070)</b>	<b>(86,214)</b>	<b>—</b>	<b>3,338,458</b>
<b>CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - Beginning of year</b>	<b><u>12,954,906</u></b>	<b><u>13,196,865</u></b>	<b><u>8,799</u></b>	<b><u>2,097,089</u></b>	<b><u>—</u></b>	<b><u>28,257,659</u></b>
<b>CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - End of year</b>	<b><u>\$ 14,484,855</u></b>	<b><u>\$ 15,096,658</u></b>	<b><u>\$ 3,729</u></b>	<b><u>\$ 2,010,875</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 31,596,117</u></b>
<b>REPORTED IN THE CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS FOLLOWS</b>						
Cash and cash equivalents	\$ 12,707,822	\$ 506,067	\$ 3,729	\$ 2,010,875	\$ —	\$ 15,228,493
Cash designated for long-term purposes	1,576,741	10,451,420	—	—	—	12,028,161
Restricted cash included in "assets restricted for long-term purposes"	<u>200,292</u>	<u>4,139,171</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,339,463</u>
<b>Total cash and cash equivalents, designated cash, and restricted cash</b>	<b><u>\$ 14,484,855</u></b>	<b><u>\$ 15,096,658</u></b>	<b><u>\$ 3,729</u></b>	<b><u>\$ 2,010,875</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 31,596,117</u></b>

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

For The Year Ended December 31, 2022

Federal Agency	Federal CFDA Number	Contract/Grant Number	Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed through State of Florida Department of Children and Families:			
Brevard Family Partnership:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	CPA2001	\$ 151
Temporary Assistance for Needy Families	93.558	CPA2001	5,150
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CPA2001	2,375
Foster Care Title IV-E	93.658	CPA2001	187,079
Adoption Assistance	93.659	CPA2001	16,658
MaryLee Allen Promoting Safe and Stable Families Program	93.556	CRA2111	7,372
Child Abuse and Neglect State Grants	93.669	CRA2111	235
Foster Care Title IV-E	93.658	CRA2111	1,697
Temporary Assistance for Needy Families	93.558	CRA2111	2,952
Children's Network of Hillsborough County:			
Foster Care Title IV-E	93.658	Foster C13	3,280
Children's Network of Southwest Florida:			
Temporary Assistance for Needy Families	93.558	BAR01	454
Foster Care Title IV-E	93.658	BAR01	355,366
Adoption Assistance	93.659	BAR01	32,744
Citrus Family Care Network:			
Foster Care Title IV-E	93.658	Other assistance	18,330
Adoption Assistance	93.659	Other assistance	2,929
Temporary Assistance for Needy Families	93.558	Other assistance	41
Community Partnership for Children:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	D12-21-FBCH-CPA	1,160
Temporary Assistance for Needy Families	93.558	D12-21-FBCH-CPA	37,999
Stephanie Tubbs Jones Child Welfare Services Program	93.645	D12-21-FBCH-CPA	18,295
Foster Care Title IV-E	93.658	D12-21-FBCH-CPA	130,415
Adoption Assistance	93.659	D12-21-FBCH-CPA	7,554
Embrace Families:			
Temporary Assistance for Needy Families	93.558	SEMOROS048-2023	23,863
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SEMOROS048-2023	8,928
Foster Care Title IV-E	93.658	SEMOROS048-2023	137,576
Adoption Assistance	93.659	SEMOROS048-2023	7,910
Child Abuse and Neglect State Grants	93.669	SEMOROS048-2023	303
Family Integrity Program:			
Temporary Assistance for Needy Families	93.558	Other assistance	20
Foster Care Title IV-E	93.658	Other assistance	16,564
Child Care and Development Block Grant	93.575	Other assistance	4
Adoption Assistance	93.659	Other assistance	1,515
Family Support Services:			
Foster Care Title IV-E	93.658	Other assistance	157,660
Adoption Assistance	93.659	Other assistance	50,077
Temporary Assistance for Needy Families	93.558	Other assistance	20,747
Heartland for Children:			
Foster Care Title IV-E	93.658	RFB02	269
Social Services Block Grant	93.667	RFB02	31
Temporary Assistance for Needy Families	93.558	RFB01	307
Foster Care Title IV-E	93.658	RFB01	239,985
Adoption Assistance	93.659	RFB01	22,110
Lakeview/Families First Network:			
Temporary Assistance for Needy Families	93.558	C-007-202	1,002
Foster Care Title IV-E	93.658	C-007-202	325,674
Adoption Assistance	93.659	C-007-202	27,841
Partnership for Strong Families:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	PNP939	140
Temporary Assistance for Needy Families	93.558	PNP939	4,913
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PNP939	2,200
Foster Care Title IV-E	93.658	PNP939	284,721
Adoption Assistance	93.659	PNP939	25,697

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)

For The Year Ended December 31, 2022

Federal Agency	Federal CFDA Number	Contract/Grant Number	Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed through State of Florida Department of Children and Families (Continued):			
Safe Children Coalition:			
Temporary Assistance for Needy Families	93.558	FBHOHCS20	\$ 2,813
Foster Care Title IV-E	93.658	FBHOHCS20	4,220
Adoption Assistance	93.659	FBHOHCS20	2,813
Social Services Block Grant	93.667	FBHOHCS20	130,826
Child Care and Development Block Grant	93.575	FBHOHCS23	1,400
Foster Care Title IV-E	93.658	FBHOHCS23	35,004
Social Services Block Grant	93.667	FBHOHCS23	100,810
Adoption Assistance	93.659	FBHOHCS23	2,801
Foster Care Title IV-E	93.658	Other assistance	4,350
Adoption Assistance	93.659	Other assistance	87
Social Services Block Grant	93.667	Other assistance	4,263
<b>U.S. Department of Justice</b>			
Voices of Florida:			
Crime Victims Assistance	16.575	VD511	198,036
Crime Victims Assistance	16.575	VE961	20,633
Crime Victims Assistance	16.575	VD510	252,207
Crime Victims Assistance	16.575	VE837	57,574
Crime Victims Assistance	16.575	VD466	87,455
Crime Victims Assistance	16.575	VE930	37,070
Crime Victims Assistance	16.575	VD509	236,557
Crime Victims Assistance	16.575	VE825	69,528
Crime Victims Assistance	16.575	VD508	145,958
Crime Victims Assistance	16.575	VE878	39,686
<b>Total Expenditures of Federal Awards</b>			<b>\$ 3,626,384</b>
State Agency	State CSFA Number	Contract/Grant Number	Expenditures
<b>Florida Department of Children and Families</b>			
Brevard Family Partnership:			
Out-of-Home Supports	60.074	CRA2111	\$ 297
Community Partnership for Children:			
Out-of-Home Supports	60.074	D12-21-FBCH-CPA	208,573
Heartland for Children:			
CBC- Sexually Exploited Children	60.138	RFB02	32,100
Lakeview/Families First Network:			
Out-of-Home Supports	60.074	C-007-202	96,310
State Appropriations:			
Services to Victims of Sexual Exploitation	60.152	TJ505	200,000
Services to Victims of Sexual Exploitation	60.152	TJ507	226,256
Florida Baptist Children's Homes - Brave Moms Program	60.165	LJ971	124,956
Florida Baptist Children's Homes - Brave Moms Program	60.165	LJ202	189,998
<b>Florida Department of Juvenile Justice</b>			
State Appropriations:			
Delinquency Prevention	80.029	10662	180,254
<b>Total Expenditures of State Financial Assistance</b>			<b>\$ 1,258,744</b>
<b>Total Federal and State Awards</b>			<b>\$ 4,885,128</b>

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (Continued)

For The Year Ended December 31, 2022

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

Federal Program Title	Federal CFDA Number	Expenditures
MaryLee Allen Promoting Safe and Stable Families Program	93.556	\$ 8,823
Temporary Assistance for Needy Families	93.558	100,261
Child Care and Development Block Grant	93.575	1,404
Foster Care Title IV-E	93.658	1,902,190
Adoption Assistance	93.659	200,736
Stephanie Tubbs Jones Child Welfare Services Program	93.645	31,798
Social Services Block Grant	93.667	235,930
Child Abuse and Neglect State Grants	93.669	538
Crime Victims Assistance	16.575	<u>1,144,704</u>
<b>Total Expenditures of Federal Awards by CFDA Number</b>		<b><u>\$ 3,626,384</u></b>
State Awards Title	State CSFA Number	Expenditures
Out-of-Home Supports	60.074	\$ 305,180
CBC- Sexually Exploited Children	60.138	32,100
Services to Victims of Sexual Exploitation	60.152	426,256
Florida Baptist Children's Homes - Brave Moms Program	60.165	314,954
Delinquency Prevention	80.029	<u>180,254</u>
<b>Total Expenditures of State Awards by CSFA Number</b>		<b><u>\$ 1,258,744</u></b>
<b>Total Federal and State Awards</b>		<b><u>\$ 4,885,128</u></b>

**FLORIDA BAPTIST CHILDREN’S HOMES, INC. D/B/A ONE MORE CHILD AND  
AFFILIATES**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For The Year Ended December 31, 2022

**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. d/b/a One More Child and Affiliates (“the Organization”) under programs of the federal and state government for the year ended December 31, 2022. 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 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. d/b/a One More Child and Affiliates  
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. d/b/a One More Child and Affiliates ("the Organization"), which consist of the consolidated statement of financial position as of December 31, 2022, 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 11, 2023, except for our report on the supplementary information for which the date is August 16, 2023.

***Report on 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) as a basis for designing 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.

***Report on 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Batts Morrison Wales & Lee, P.A.*

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida

August 16, 2023



Batts Morrison  
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS

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. d/b/a One More Child and Affiliates  
Lakeland, Florida

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

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

We have audited Florida Baptist Children's Homes, Inc. d/b/a One More Child and Affiliates' ("the Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements identified as subject to audit 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, 2022. 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.

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, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650 Rules of the Auditor General are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional misstatements, misrepresentations, or the override of internal control.

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Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program and state project as a whole.

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

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

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

#### ***Report on Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs – Federal Programs and State Projects as item 2022-001 to be a material weakness.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs – Federal Programs and State Projects. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Florida Baptist Children's Homes, Inc.  
August 16, 2023  
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*Batts Morrison Wales & Lee, P.A.*

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida  
August 16, 2023

**FLORIDA BAPTIST CHILDREN’S HOMES, INC. D/B/A ONE MORE CHILD AND AFFILIATES**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS  
For The Year Ended December 31, 2022

**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. d/b/a One More Child and Affiliates (“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 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*.
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. One material weakness relating to the audit of the major federal award programs and state projects is reported in the 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.
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. All findings that are required to be reported related to federal programs in accordance with 2 CFR section 200.516(a) and state projects in accordance with Chapter 10.656, Rules of the Auditor General, are reported in this schedule.
7. The programs and projects tested as major programs and projects included the following:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Department of Health and Human Services:	
Foster Care Title IV-E	93.658
Social Services Block Grant	93.667
Department of Justice:	
Crime Victim Assistance	16.575
<u>State Projects</u>	<u>State CSFA Number</u>
Florida Department of Children and Families:	
Services to Victims of Sexual Exploitation	60.152
Florida Baptist Children’s Homes - Brave Moms Program	60.165

8. The threshold used for distinguishing between Type A and B programs was \$750,000 for major federal programs and \$377,623 for major state projects.
9. The Organization did not qualify as a low-risk auditee.

**B. FINDINGS – CONSOLIDATED FINANCIAL STATEMENTS AUDIT**

None.

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND  
AFFILIATES**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS  
(Continued)  
For The Year Ended December 31, 2022

**C. FINDINGS – MAJOR FEDERAL PROGRAMS**

MATERIAL WEAKNESS

- 2022-001. U.S. Department of Health and Human Services  
Child Care and Development Block Grant – CFDA 93.575  
Foster Care Title IV-E – CFDA 93.658  
Social Services Block Grant – CFDA 93.667  
Adoption Assistance – CFDA 93.659  
Grant No. FBHOHCS23 – Grant Period – July 1, 2022 through June 30, 2025

We recommend certain improvements related to the preparation and review of the Organization's Schedule of Expenditures of Federal Awards and State Financial Assistance.

*Condition:* The Organization incorrectly calculated the expenditures for one contract that was subject to federal single audit reporting requirements.

*Criteria:* Internal controls should be in place to provide reasonable assurance that all expenditures subject to federal single audit requirements are correctly included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

*Cause:* We understand that due to a formula error on a spreadsheet, management inadvertently miscalculated the expenditures of one contract as it relates to the Organization's responsibilities pursuant to the federal single audit reporting requirements, which was not identified in the review of the Schedule of Expenditures of Federal Awards and State Financial Assistance.

*Effect:* The condition presents an elevated risk of the Organization preparing an inaccurate Schedule of Expenditures of Federal Awards and State Financial Assistance.

*Context:* The auditor identified the miscalculation of the contract through its designed auditing procedures. No other similar exceptions were noted as a result of audit procedures.

*Repeat Finding:* This finding is not a repeat finding from a prior audit.

*Recommendation:* We recommend that the Organization carefully review the Schedule of Expenditures of Federal Awards and State Financial Assistance to ensure all expenditures subject to federal single audit requirements are properly included.

*Views of Responsible Officials and Planned Corrective Action:* The Organization agrees with the finding and will develop additional procedures for the review of the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**D. FINDINGS – MAJOR STATE PROJECTS**

None.

**FLORIDA BAPTIST CHILDREN'S HOMES, INC. D/B/A ONE MORE CHILD AND  
AFFILIATES**  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS AND STATE PROJECTS  
(Continued)  
For The Year Ended December 31, 2022

**E. 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.

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects (Section 10.656(3)(d)5, Rules of the Auditor General).

## CORRECTIVE ACTION PLAN

August 16, 2023

U.S. Department of Health and Human Services

Florida Baptist Children's Homes, Inc. d/b/a One More Child and Affiliates ("the Organization"), respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm: Batts Morrison Wales & Lee, P.A.  
801 North Orange Avenue, Suite 800  
Orlando, Florida 32801

Audit period: December 31, 2022

The findings from the December 31, 2022 Schedule of Findings and Questioned Costs – Federal Programs and State Projects are discussed below.

### FINDINGS – MAJOR FEDERAL PROGRAMS

#### MATERIAL WEAKNESS

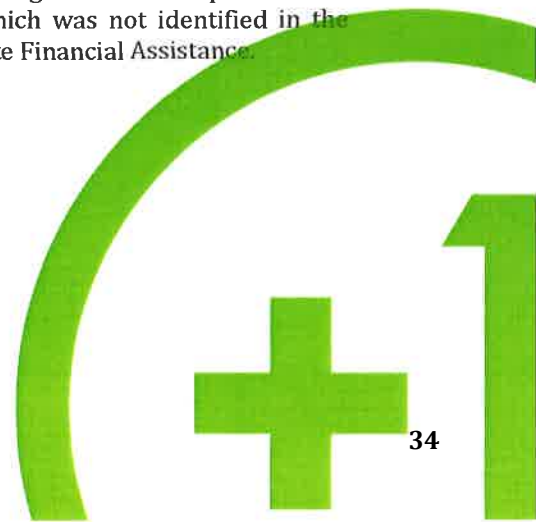
- 2022-001. U.S. Department of Health and Human Services  
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Social Services Block Grant – CFDA 93.667  
Adoption Assistance – CFDA 93.659  
Grant No. FBHOHCS23 – Grant Period – July 1, 2022 through June 30, 2025

We recommend certain improvements related to the preparation and review of the Organization's Schedule of Expenditures of Federal Awards and State Financial Assistance.

*Condition:* The Organization incorrectly calculated the expenditures for one contract that was subject to federal single audit reporting requirements.

*Criteria:* Internal controls should be in place to provide reasonable assurance that all expenditures subject to federal single audit requirements are correctly included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

*Cause:* We understand that due to a formula error on a spreadsheet, management inadvertently miscalculated the expenditures of one contract as it relates to the Organization's responsibilities pursuant to the federal single audit reporting requirements, which was not identified in the review of the Schedule of Expenditures of Federal Awards and State Financial Assistance.



*Effect:* The condition presents an elevated risk of the Organization preparing an inaccurate Schedule of Expenditures of Federal Awards and State Financial Assistance.

*Context:* The auditor identified the miscalculation of the contract through its designed auditing procedures. No other similar exceptions were noted as a result of audit procedures.

*Repeat Finding:* This finding is not a repeat finding from a prior audit.

*Recommendation:* We recommend that the Organization carefully review the Schedule of Expenditures of Federal Awards and State Financial Assistance to ensure all expenditures subject to federal single audit requirements are properly included.

*Views of Responsible Officials and Planned Corrective Action:* The Organization agrees with the finding and will develop additional procedures for the review of the Schedule of Expenditures of Federal Awards and State Financial Assistance.

If the U.S. Department of Health and Human Services has questions regarding this plan, please contact us at (863) 687-8811.

Sincerely yours,



Kim Bedwell, Vice President/CFO  
Florida Baptist Children's Homes, Inc.