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Florida Baptist Children's Homes, Inc.

Reporting Package

For The Year Ended December 31, 2023

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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, 2023, 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, 2023, 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' 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 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, 2023, the supplemental consolidating statements of activities and cash flows for the year ended December 31, 2023, 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 July 30, 2024 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida

June 28, 2024 (except for our report on the supplementary information for which the date is July 30, 2024)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023

(With Summarized Comparative Totals As Of December 31, 2022)

ASSETS

	December 31, 2023			December 31, 2022
	Without Donor Restrictions	With Donor Restrictions	Total	
ASSETS				
Cash and cash equivalents	\$ 4,541,285	\$ 5,366,062	\$ 9,907,347	\$ 15,228,493
Cash designated for long-term purposes	10,856,089	—	10,856,089	12,028,161
Assets restricted for long-term purposes	—	13,819,042	13,819,042	15,000,340
Investments	71,182,773	5,778,842	76,961,615	66,631,780
Property and equipment, net	27,947,859	—	27,947,859	26,841,276
Beneficial interest in perpetual trusts held by others	—	2,968,274	2,968,274	2,722,698
Other assets	4,999,191	—	4,999,191	4,768,850
Total assets	\$ 119,527,197	\$ 27,932,220	\$ 147,459,417	\$ 143,221,598

LIABILITIES AND NET ASSETS

LIABILITIES				
Accounts payable and accrued expenses	\$ 2,027,244	\$ —	\$ 2,027,244	\$ 1,840,045
Present value of charitable gift annuities payable	—	1,189,955	1,189,955	1,206,371
Total liabilities	2,027,244	1,189,955	3,217,199	3,046,416
NET ASSETS				
Without donor restrictions				
Operating	78,696,005	—	78,696,005	73,770,679
Net investment in property and equipment	27,947,859	—	27,947,859	26,841,276
Board designated	10,856,089	—	10,856,089	12,028,161
Total net assets without donor restrictions	117,499,953	—	117,499,953	112,640,116
With donor restrictions	—	26,742,265	26,742,265	27,535,066
Total net assets	117,499,953	26,742,265	144,242,218	140,175,182
Total liabilities and net assets	\$ 119,527,197	\$ 27,932,220	\$ 147,459,417	\$ 143,221,598

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

CONSOLIDATED STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2023

(With Summarized Comparative Totals For The Year Ended December 31, 2022)

	For The Year Ended December 31, 2023			For The Year Ended December 31, 2022
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS				
RELEASED FROM RESTRICTIONS				
Contributions - noncash	\$ 51,972,063	\$ —	\$ 51,972,063	\$ 38,350,977
Contributions - cash	17,484,235	147,635	17,631,870	19,428,358
Net gain (loss) on investments	8,763,824	586,053	9,349,877	(16,936,906)
Child support and contracts	6,032,881	—	6,032,881	5,325,665
Interest and dividend income	1,442,371	299,375	1,741,746	1,397,411
Other revenue	310,290	—	310,290	459,362
Change in beneficial interest in perpetual trusts held by others	—	245,576	245,576	(525,551)
Net change in present value of charitable gift annuities payable	—	33,005	33,005	68,154
Net (loss) gain on sales of property and equipment	(512,547)	—	(512,547)	120,100
Net assets released from time and use restrictions	<u>2,104,445</u>	<u>(2,104,445)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>87,597,562</u>	<u>(792,801)</u>	<u>86,804,761</u>	<u>47,687,570</u>
EXPENSES				
Program services				
Compassion ministries	56,226,326	—	56,226,326	38,303,656
Foster care	4,335,873	—	4,335,873	3,772,788
Anti-trafficking	3,417,282	—	3,417,282	2,574,682
Other programs	3,208,758	—	3,208,758	2,576,869
Global	3,141,692	—	3,141,692	2,462,702
Campus ministries	1,448,105	—	1,448,105	1,347,243
Single moms	1,407,766	—	1,407,766	1,237,703
Family support	<u>1,058,312</u>	<u>—</u>	<u>1,058,312</u>	<u>976,269</u>
Total program services	<u>74,244,114</u>	<u>—</u>	<u>74,244,114</u>	<u>53,251,912</u>
Support services				
General administration	3,742,928	—	3,742,928	3,013,725
Promotion and development	<u>4,750,683</u>	<u>—</u>	<u>4,750,683</u>	<u>4,294,354</u>
Total support services	<u>8,493,611</u>	<u>—</u>	<u>8,493,611</u>	<u>7,308,079</u>
Total expenses	<u>82,737,725</u>	<u>—</u>	<u>82,737,725</u>	<u>60,559,991</u>
CHANGE IN NET ASSETS	4,859,837	(792,801)	4,067,036	(12,872,421)
NET ASSETS - Beginning of year	<u>112,640,116</u>	<u>27,535,066</u>	<u>140,175,182</u>	<u>153,047,603</u>
NET ASSETS - End of year	<u>\$ 117,499,953</u>	<u>\$ 26,742,265</u>	<u>\$ 144,242,218</u>	<u>\$ 140,175,182</u>

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, 2023

(With Summarized Comparative Totals For The Year Ended December 31, 2022)

	For The Years Ended December 31,	
	2023	2022
OPERATING CASH FLOWS		
Cash received from contributors	\$ 15,285,397	\$ 16,648,907
Cash received for child support and contracts	4,762,350	5,516,710
Cash received from interest and dividends	1,741,746	1,397,411
Other revenue received	310,290	459,362
Cash paid for operating activities and costs	(27,604,643)	(22,186,602)
Net operating cash flows	(5,504,860)	1,835,788
INVESTING CASH FLOWS		
Net (purchases) sales of investments	(979,958)	2,393,615
Net investment in assets restricted for long-term purposes	(116,184)	(681,089)
Net proceeds from sales of property and equipment	521,157	128,626
Purchases of and improvements to property and equipment	(4,057,328)	(3,117,933)
Net investing cash flows	(4,632,313)	(1,276,781)
FINANCING CASH FLOWS		
Proceeds from contributions restricted for:		
Investment in property and equipment	2,319,608	2,675,891
Endowment	26,865	103,560
Net financing cash flows	2,346,473	2,779,451
NET CHANGE IN CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH	(7,790,700)	3,338,458
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - Beginning of year	31,596,117	28,257,659
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - End of year	\$ 23,805,417	\$ 31,596,117
REPORTED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS FOLLOWS		
Cash and cash equivalents	\$ 9,907,347	\$ 15,228,493
Cash designated for long-term purposes	10,856,089	12,028,161
Restricted cash included in "assets restricted for long-term purposes"	3,041,981	4,339,463
Total cash and cash equivalents, designated cash, and restricted cash	\$ 23,805,417	\$ 31,596,117

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, 2023
(With Summarized Comparative Totals For The Year Ended December 31, 2022)

For The Year Ended December 31, 2023									
Program services									
	Compassion ministries	Foster care	Anti-trafficking	Other programs	Global	Campus ministries	Single moms	Family support	Total program services
Salaries and related expenses									
Salaries	\$ 786,623	\$ 2,515,068	\$ 2,203,348	\$ 1,850,880	\$ 534,409	\$ 239,452	\$ 535,986	\$ 667,803	\$ 9,333,569
Payroll taxes	54,010	175,632	162,085	126,440	39,304	18,127	38,087	50,577	664,262
Employee benefits	24,980	136,600	53,653	154,916	43,239	22,287	57,376	22,755	515,806
Total salaries and related expenses	865,613	2,827,300	2,419,086	2,132,236	616,952	279,866	631,449	741,135	10,513,637
Client care									
Gifts in-kind	54,294,136	—	—	—	—	—	—	—	54,294,136
International travel	—	—	—	—	763,763	—	—	—	763,763
International sponsorship	—	—	—	—	723,890	—	—	—	723,890
International projects	—	—	—	—	699,832	—	—	—	699,832
Food	268,047	—	—	—	—	11,304	—	13,297	292,648
Other client care	18,376	124,057	3,044	—	—	25,939	51,656	8,145	231,217
Supplies	17,245	5,047	21,248	22,812	—	40,205	8,675	12,943	128,175
Foster home payments	—	4,104	—	—	—	—	—	—	4,104
Clothing	—	—	—	—	—	—	—	158	158
Activities	—	—	—	—	—	—	—	—	—
Medical/dental	—	—	—	—	—	—	—	—	—
Allowances/work	—	—	—	—	—	—	—	—	—
Total client care	54,597,804	133,208	24,292	22,812	2,187,485	77,448	60,331	34,543	57,137,923
Other expenses									
Insurance	168,132	553,860	429,671	351,880	104,866	119,874	215,575	109,062	2,052,920
Promotion and development	9,083	47,523	25,448	192,026	32,551	—	1,636	2,069	310,336
Professional services	2,606	36,398	107,167	9,634	48,239	82,500	38,325	33,815	358,684
Travel	183,046	91,337	194,908	110,552	50,592	7,970	10,677	22,368	671,450
Utilities	63,116	201,722	29,303	42,943	12,052	79,125	185,954	15,734	629,949
Office supplies	57,422	73,703	59,039	136,343	21,991	10,699	20,215	39,560	418,972
Other	112,896	67,487	46,162	12,493	—	—	8,450	31,088	278,576
Repairs and maintenance	123,414	99,733	6,538	7,040	—	180,538	78,735	5,144	501,142
Telephone	11,870	72,711	46,039	26,001	6,183	10,067	71,093	7,129	251,093
Meetings and exhibits	228	—	770	95,229	7,477	—	—	—	103,704
Memberships and training	27,013	24,270	22,019	26,051	12,096	941	3,202	8,635	124,227
Bank fees	—	—	—	—	34,296	—	—	—	34,296
Furnishings and capital	—	5,599	—	—	—	—	63,779	—	69,378
Scholarship	—	—	—	—	—	41,831	17,433	3,935	63,199
Trustee travel	—	—	—	—	—	—	—	—	—
Postage	947	3,162	2,202	2,894	6,106	53	258	814	16,436
Recruiting and hiring	3,136	4,472	4,638	1,347	806	457	654	3,281	18,791
Grants	—	—	—	—	—	—	—	—	—
Total other expenses	762,909	1,281,977	973,904	1,014,433	337,255	534,055	715,986	282,634	5,903,153
Total expenses before depreciation	56,226,326	4,242,485	3,417,282	3,169,481	3,141,692	891,369	1,407,766	1,058,312	73,554,713
Depreciation	—	93,388	—	39,277	—	556,736	—	—	689,401
Total expenses	\$ 56,226,326	\$ 4,335,873	\$ 3,417,282	\$ 3,208,758	\$ 3,141,692	\$ 1,448,105	\$ 1,407,766	\$ 1,058,312	\$ 74,244,114

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, 2023
(With Summarized Comparative Totals For The Year Ended December 31, 2022)

	For The Year Ended December 31, 2023				For The Year Ended December 31, 2022	
	Support services					
	Total program services	General administration	Promotion and development	Total support services	Total expenses	Total expenses
Salaries and related expenses						
Salaries	\$ 9,333,569	\$ 1,799,956	\$ 2,553,500	\$ 4,353,456	\$ 13,687,025	\$ 10,845,492
Payroll taxes	664,262	107,748	176,201	283,949	948,211	756,703
Employee benefits	515,806	147,806	126,499	274,305	790,111	673,404
Total salaries and related expenses	<u>10,513,637</u>	<u>2,055,510</u>	<u>2,856,200</u>	<u>4,911,710</u>	<u>15,425,347</u>	<u>12,275,599</u>
Client care						
Gifts in-kind	54,294,136	—	—	—	54,294,136	36,500,702
International travel	763,763	—	—	—	763,763	320,265
International sponsorship	723,890	—	—	—	723,890	596,783
International projects	699,832	—	—	—	699,832	810,441
Food	292,648	—	—	—	292,648	153,792
Other client care	231,217	—	—	—	231,217	229,442
Supplies	128,175	—	22,812	22,812	150,987	73,105
Foster home payments	4,104	—	—	—	4,104	6,943
Clothing	158	—	—	—	158	710
Activities	—	—	—	—	—	5,407
Medical/dental	—	—	—	—	—	685
Allowances/work	—	—	—	—	—	420
Total client care	<u>57,137,923</u>	<u>—</u>	<u>22,812</u>	<u>22,812</u>	<u>57,160,735</u>	<u>38,698,695</u>
Other expenses						
Insurance	2,052,920	369,027	540,123	909,150	2,962,070	2,310,562
Promotion and development	310,336	—	669,571	669,571	979,907	1,417,082
Professional services	358,684	424,714	163,292	588,006	946,690	933,752
Travel	671,450	40,711	103,208	143,919	815,369	951,190
Utilities	629,949	48,055	69,786	117,841	747,790	619,611
Office supplies	418,972	205,725	92,167	297,892	716,864	806,616
Other	278,576	399,090	12,493	411,583	690,159	445,641
Repairs and maintenance	501,142	2,381	4,792	7,173	508,315	476,797
Telephone	251,093	21,441	33,593	55,034	306,127	255,175
Meetings and exhibits	103,704	—	95,229	95,229	198,933	104,469
Memberships and training	124,227	53,725	20,481	74,206	198,433	219,183
Bank fees	34,296	8,719	45,989	54,708	89,004	97,350
Furnishings and capital	69,378	15,384	—	15,384	84,762	39,057
Scholarship	63,199	—	—	—	63,199	14,196
Trustee travel	—	55,349	—	55,349	55,349	25,546
Postage	16,436	13,041	17,561	30,602	47,038	35,860
Recruiting and hiring	18,791	2,415	3,386	5,801	24,592	78,857
Grants	—	—	—	—	—	30,000
Total other expenses	<u>5,903,153</u>	<u>1,659,777</u>	<u>1,871,671</u>	<u>3,531,448</u>	<u>9,434,601</u>	<u>8,860,944</u>
Total expenses before depreciation	<u>73,554,713</u>	<u>3,715,287</u>	<u>4,750,683</u>	<u>8,465,970</u>	<u>82,020,683</u>	<u>59,835,238</u>
Depreciation	689,401	27,641	—	27,641	717,042	724,753
Total expenses	<u>\$ 74,244,114</u>	<u>\$ 3,742,928</u>	<u>\$ 4,750,683</u>	<u>\$ 8,493,611</u>	<u>\$ 82,737,725</u>	<u>\$ 60,559,991</u>

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, 2023

(With Comparative Information For December 31, 2022)

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 statement 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, 2023

(With Comparative Information For December 31, 2022)

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
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Information For December 31, 2022)

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 and beneficial interest in perpetual trusts held by others, 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.

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>2023</u>	<u>2022</u>
Financial assets available:		
Cash and cash equivalents	\$ 9,907,347	\$ 15,228,493
Cash designated for long-term purposes	10,856,089	12,028,161
Cash and investments restricted for long-term purposes (see Note F)	13,119,042	14,200,340
Investments	<u>76,961,615</u>	<u>66,631,780</u>
Total financial assets available	110,844,093	108,088,774
Less amounts unavailable for general expenditure within one year due to:		
Board designations	(10,856,089)	(12,028,161)
Donor-imposed restrictions	<u>(19,375,806)</u>	<u>(19,996,804)</u>
Net financial assets available within one year	<u>\$ 80,612,198</u>	<u>\$ 76,063,809</u>

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

December 31, 2023

(With Comparative Information For December 31, 2022)

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

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 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 cash and 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:

Category	December 31.	
	2023	2022
Common and preferred stocks	\$ 63,000,425	\$ 53,942,412
Debt securities	21,026,829	20,013,137
Mutual funds	3,011,422	2,537,108
Total investments	\$ 87,038,676	\$ 76,492,657

NOTE F – ASSETS RESTRICTED FOR LONG-TERM PURPOSES

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

Category	December 31.	
	2023	2022
Cash and cash equivalents	\$ 3,041,981	\$ 4,339,463
Investments	10,077,061	9,860,877
Pledge receivable	700,000	800,000
Total assets restricted for long-term purposes	\$ 13,819,042	\$ 15,000,340

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

December 31, 2023

(With Comparative Information For December 31, 2022)

NOTE F – ASSETS RESTRICTED FOR LONG-TERM PURPOSES (Continued)

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

Category	December 31,	
	2023	2022
Endowment funds and trusts	\$ 8,065,535	\$ 8,044,670
Capital improvements	3,685,358	4,939,171
Net investments held for charitable gift annuities	2,068,149	2,016,499
Total assets restricted for long-term purposes	\$ 13,819,042	\$ 15,000,340

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.

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

December 31, 2023

(With Comparative Information For December 31, 2022)

NOTE G – FAIR VALUE MEASUREMENTS (Continued)

Estimated fair value of certain assets (liabilities) measured on a recurring basis at December 31, 2023, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 63,000,425	\$ 63,000,425	\$ —	\$ —
Debt securities	21,026,829	21,026,829	—	—
Mutual funds	3,011,422	3,011,422	—	—
Beneficial interest in perpetual trusts held by others	<u>2,968,274</u>	<u>—</u>	<u>—</u>	<u>2,968,274</u>
Total assets	<u>\$ 90,006,950</u>	<u>\$ 87,038,676</u>	<u>\$ —</u>	<u>\$ 2,968,274</u>
Present value of charitable gift annuities payable	<u>\$ (1,189,955)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1,189,955)</u>

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 assets	<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>

The change in the components of financial instruments measured using Level 3 inputs in each of the years 2023 and 2022 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>2023</u>	<u>2022</u>
Beneficial interest in perpetual trusts held by others	\$ 1,613,884	\$ 1,439,400
Beneficial interest in perpetual trusts held by Florida Baptist Foundation, Inc. ("FBF")	<u>1,354,390</u>	<u>1,283,298</u>
Total beneficial interest in perpetual trusts held by others	<u>\$ 2,968,274</u>	<u>\$ 2,722,698</u>

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

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(With Comparative Information For December 31, 2022)

NOTE I – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Category	December 31.	
	2023	2022
Land	\$ 5,365,285	\$ 6,259,121
Buildings and building improvements	24,248,723	24,264,358
Furniture and equipment	2,324,328	2,072,401
Vehicles	1,292,051	1,288,793
Construction in progress	5,816,596	3,440,770
Total	39,046,983	37,325,443
Less: Accumulated depreciation	(11,099,124)	(10,484,167)
Net property and equipment	\$ 27,947,859	\$ 26,841,276

Depreciation expense amounted to \$717,042 and \$724,753 for 2023 and 2022, respectively.

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, 2023 and 2022:

Category	December 31.	
	2023	2022
Capital improvements	\$ 9,162,733	\$ 10,451,420
Capital repairs	1,071,132	1,102,965
Vehicle repairs	589,662	442,838
Insurance reserve	32,562	30,938
Total board designated net assets	\$ 10,856,089	\$ 12,028,161

NOTE K – NET ASSETS WITH RESTRICTIONS

Net assets with restrictions were for the following purposes during 2023:

	Balance January 1	Contributions	Investment Income, net and Other	Disbursements/ Releases	Balance December 31
Endowment corpus with distributions available for general operating purposes	\$ 7,306,784	\$ 20,865	\$ —	\$ —	\$ 7,327,649
Appreciation on endowment assets	5,012,622	—	510,156	—	5,522,778
Capital improvements	4,939,171	—	74,663	(1,328,476)	3,685,358
Other time and use restrictions	2,580,304	120,770	51,484	—	2,752,558

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Information For December 31, 2022)

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	\$ 2,016,499	\$ —	\$ 282,130	\$ (230,480)	\$ 2,068,149
Beneficial interest in perpetual trusts held by others	1,439,400	—	174,484	—	1,613,884
Beneficial interest in perpetual trusts held by FBF	1,283,298	—	71,092	—	1,354,390
Global	1,435,260	—	—	(489,633)	945,627
Endowment corpus with distributions restricted for various purposes	737,886	6,000	—	(6,000)	737,886
Scholarships	<u>783,842</u>	<u>—</u>	<u>—</u>	<u>(49,856)</u>	<u>733,986</u>
Total	<u>\$ 27,535,066</u>	<u>\$ 147,635</u>	<u>\$ 1,164,009</u>	<u>\$ (2,104,445)</u>	<u>\$ 26,742,265</u>

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

	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>	
Endowment corpus with distributions available for general operating purposes	\$ 7,203,724	\$ 103,060	\$ —	\$ —	\$ 7,306,784
Appreciation on endowment 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
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>
Total	<u>\$ 28,076,701</u>	<u>\$ 2,594,208</u>	<u>\$ (3,035,843)</u>	<u>\$ (100,000)</u>	<u>\$ 27,535,066</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

(With Comparative Information For December 31, 2022)

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,	
	2023	2022
Clothing, toys, daily living essentials, and other	\$ 26,488,694	\$ 24,413,343
Food and beverages	25,483,369	13,937,634
Total noncash contributions	\$ 51,972,063	\$ 38,350,977

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 \$686,000 and \$610,000 to the Plan during 2023 and 2022, 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 health insurance claims. Under the terms of 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 per individual per period and \$1,000,000 in the aggregate per period. As of December 31, 2023 and 2022, 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 per year from Florida Baptist Convention, Inc. related to this program during 2023 and 2022, 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, 2023

(With Comparative Information For December 31, 2022)

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 \$3,064,000 and \$3,264,000 of the Organization's cash and investments as of December 31, 2023 and 2022, respectively. Further, the Organization had a beneficial interest in trusts held by FBF in the amount of \$1,354,390 and \$1,283,298 as of December 31, 2023 and 2022, respectively.

NOTE P – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2023 and 2022, the Organization paid approximately \$1,228,000 and \$682,000, respectively, for construction services to an entity in which a Board member has an ownership interest.

NOTE Q – COMMITMENTS

During 2023, FBCH Land Holdings, Inc. entered into various contracts for residential construction and related costs. The contracts total approximately \$7,643,000, of which approximately \$4,892,000 remained unpaid as of December 31, 2023 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, 2023
(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	\$ 8,769,300	\$ 671,972	\$ 1,159	\$ 464,916	\$ —	\$ 9,907,347
Cash designated for long-term purposes	1,693,356	9,162,733	—	—	—	10,856,089
Assets restricted for long-term purposes	3,102,960	2,910,695	—	7,805,387	—	13,819,042
Investments	8,854,986	—	—	68,106,629	—	76,961,615
Property and equipment, net	759,861	27,187,998	—	—	—	27,947,859
Beneficial interest in perpetual trusts held by others	2,968,274	—	—	—	—	2,968,274
Other assets	4,964,489	2,689,045	—	—	(2,654,343)	4,999,191
Total assets	\$ 31,113,226	\$ 42,622,443	\$ 1,159	\$ 76,376,932	\$ (2,654,343)	\$ 147,459,417
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued expenses	\$ 3,481,587	\$ 1,200,000	\$ —	\$ —	\$ (2,654,343)	\$ 2,027,244
Present value of charitable gift annuities payable	1,189,955	—	—	—	—	1,189,955
Total liabilities	4,671,542	1,200,000	—	—	(2,654,343)	3,217,199
NET ASSETS						
Without donor restrictions						
Operating	13,137,989	2,161,017	1,159	63,395,840	—	78,696,005
Net investment in property and equipment	759,861	27,187,998	—	—	—	27,947,859
Board designated	1,693,356	9,162,733	—	—	—	10,856,089
Total net assets without donor restrictions	15,591,206	38,511,748	1,159	63,395,840	—	117,499,953
With donor restrictions	10,850,478	2,910,695	—	12,981,092	—	26,742,265
Total net assets	26,441,684	41,422,443	1,159	76,376,932	—	144,242,218
Total liabilities and net assets	\$ 31,113,226	\$ 42,622,443	\$ 1,159	\$ 76,376,932	\$ (2,654,343)	\$ 147,459,417

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, 2023

(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 - noncash	\$ 51,892,322	\$ 79,741	\$ —	\$ —	\$ —	\$ 51,972,063
Contributions - cash	17,478,821	—	—	5,414	—	17,484,235
Net gain on investments	447,990	—	—	8,315,834	—	8,763,824
Child support and contracts	6,032,881	—	—	—	—	6,032,881
Interest and dividend income	176,956	237,890	—	1,027,525	—	1,442,371
Other revenue	309,453	837	—	—	—	310,290
Net gain (loss) on sales of property and equipment	500	(513,047)	—	—	—	(512,547)
Grants from affiliates	4,152,086	2,139,867	—	—	(6,291,953)	—
Total public support and revenue	80,491,009	1,945,288	—	9,348,773	(6,291,953)	85,493,117
Net assets released from time and use restrictions	875,969	1,228,476	—	—	—	2,104,445
Total public support and revenue and net assets released from time and use restrictions	81,366,978	3,173,764	—	9,348,773	(6,291,953)	87,597,562
Expenses						
Program services						
Compassion ministries	56,226,326	—	—	—	—	56,226,326
Foster care	4,251,707	84,166	—	—	—	4,335,873
Anti-trafficking	3,417,282	—	—	—	—	3,417,282
Other programs	3,169,481	39,277	—	—	—	3,208,758
Global	3,141,692	—	—	—	—	3,141,692
Campus ministries	1,010,441	437,664	—	—	—	1,448,105
Single moms	1,407,766	—	—	—	—	1,407,766
Family support	1,058,312	—	—	—	—	1,058,312
Grants to affiliates	2,139,867	581,157	2,500	3,568,429	(6,291,953)	—
Total program services	75,822,874	1,142,264	2,500	3,568,429	(6,291,953)	74,244,114
Support services						
General administration	3,735,757	7,031	70	70	—	3,742,928
Promotion and development	4,750,683	—	—	—	—	4,750,683
Total support services	8,486,440	7,031	70	70	—	8,493,611
Total expenses	84,309,314	1,149,295	2,570	3,568,499	(6,291,953)	82,737,725
Change in net assets without donor restrictions	(2,942,336)	2,024,469	(2,570)	5,780,274	—	4,859,837
CHANGE IN NET ASSETS WITH DONOR						
RESTRICTIONS						
Contributions - cash	147,635	—	—	—	—	147,635
Net gain on investments	293,951	—	—	292,102	—	586,053
Interest and dividend income	32,481	—	—	266,894	—	299,375
Change in beneficial interest in perpetual trusts held by others	245,576	—	—	—	—	245,576
Net change in present value of charitable gift annuities payable	33,005	—	—	—	—	33,005
Net assets released from time and use restrictions	(875,969)	(1,228,476)	—	—	—	(2,104,445)
Grants to/from affiliates	(20,865)	—	—	20,865	—	—
Change in net assets with donor restrictions	(144,186)	(1,228,476)	—	579,861	—	(792,801)
CHANGE IN NET ASSETS	(3,086,522)	795,993	(2,570)	6,360,135	—	4,067,036
NET ASSETS - Beginning of year	29,528,206	40,626,450	3,729	70,016,797	—	140,175,182
NET ASSETS - End of year	\$ 26,441,684	\$ 41,422,443	\$ 1,159	\$ 76,376,932	\$ —	\$ 144,242,218

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, 2023
(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	\$ 15,279,983	\$ —	\$ —	\$ 5,414	\$ —	\$ 15,285,397
Cash received for child support and contracts	4,762,350	—	—	—	—	4,762,350
Cash received from interest and dividends	209,437	237,890	—	1,294,419	—	1,741,746
Cash received from affiliates	4,152,086	1,250,826	—	—	(5,402,912)	—
Other revenue received	309,453	837	—	—	—	310,290
Cash paid for operating activities and costs	<u>(28,869,163)</u>	<u>(588,188)</u>	<u>(2,570)</u>	<u>(3,568,499)</u>	<u>5,423,777</u>	<u>(27,604,643)</u>
Net operating cash flows	<u>(4,155,854)</u>	<u>901,365</u>	<u>(2,570)</u>	<u>(2,268,666)</u>	<u>20,865</u>	<u>(5,504,860)</u>
INVESTING CASH FLOWS						
Net (purchases) sales of investments	(1,702,665)	—	—	722,707	—	(979,958)
Net investment in assets restricted for long-term purposes	(95,319)	—	—	(20,865)	—	(116,184)
Net proceeds from sales of property and equipment	—	521,157	—	—	—	521,157
Purchases of and improvements to property and equipment	<u>(283,548)</u>	<u>(3,773,780)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,057,328)</u>
Net investing cash flows	<u>(2,081,532)</u>	<u>(3,252,623)</u>	<u>—</u>	<u>701,842</u>	<u>—</u>	<u>(4,632,313)</u>
FINANCING CASH FLOWS						
Proceeds from contributions restricted for:						
Investment in property and equipment	2,319,608	—	—	—	—	2,319,608
Endowment	26,865	—	—	—	—	26,865
Grants to/from affiliates restricted for long-term endowment	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,865</u>	<u>(20,865)</u>	<u>—</u>
Net financing cash flows	<u>2,346,473</u>	<u>—</u>	<u>—</u>	<u>20,865</u>	<u>(20,865)</u>	<u>2,346,473</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH	(3,890,913)	(2,351,258)	(2,570)	(1,545,959)	—	(7,790,700)
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - Beginning of year	<u>14,484,855</u>	<u>15,096,658</u>	<u>3,729</u>	<u>2,010,875</u>	<u>—</u>	<u>31,596,117</u>
CASH AND CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - End of year	<u>\$ 10,593,942</u>	<u>\$ 12,745,400</u>	<u>\$ 1,159</u>	<u>\$ 464,916</u>	<u>\$ —</u>	<u>\$ 23,805,417</u>
REPORTED IN THE CONSOLIDATING STATEMENT OF FINANCIAL POSITION AS FOLLOWS						
Cash and cash equivalents	\$ 8,769,300	\$ 671,972	\$ 1,159	\$ 464,916	\$ —	\$ 9,907,347
Cash designated for long-term purposes	1,693,356	9,162,733	—	—	—	10,856,089
Restricted cash included in "assets restricted for long-term purposes"	<u>131,286</u>	<u>2,910,695</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,041,981</u>
Total cash and cash equivalents, designated cash, and restricted cash	<u>\$ 10,593,942</u>	<u>\$ 12,745,400</u>	<u>\$ 1,159</u>	<u>\$ 464,916</u>	<u>\$ —</u>	<u>\$ 23,805,417</u>

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, 2023

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:			
Brevard Family Partnership:			
Foster Care Title IV-E	93.658	CPA2001	\$ 195,540
Adoption Assistance	93.659	CPA2001	15,433
Temporary Assistance for Needy Families	93.558	CPA2001	774
Children's Network of Hillsborough County:			
Foster Care Title IV-E	93.658	Foster C13	3,442
Adoption Assistance	93.659	Foster C13	285
Temporary Assistance for Needy Families	93.558	Foster C13	14
Children's Network of Southwest Florida:			
Foster Care Title IV-E	93.658	BBU01	499,346
Adoption Assistance	93.659	BBU01	41,413
Temporary Assistance for Needy Families	93.558	BBU01	2,020
Citrus Family Care Network:			
Foster Care Title IV-E	93.658	Other assistance	93,625
Adoption Assistance	93.659	Other assistance	14,029
Temporary Assistance for Needy Families	93.558	Other assistance	684
Community Partnership for Children:			
Foster Care Title IV-E	93.658	D12-22-FBCH-CPA	131,501
Adoption Assistance	93.659	D12-22-FBCH-CPA	6,556
MaryLee Allen Promoting Safe and Stable Families Program	93.556	D12-22-FBCH-CPA	683
Temporary Assistance for Needy Families	93.558	D12-22-FBCH-CPA	32,660
Stephanie Tubbs Jones Child Welfare Services Program	93.645	D12-22-FBCH-CPA	7,930
Embrace Families:			
Foster Care Title IV-E	93.658	SEMOROS048-2023	42,722
Adoption Assistance	93.659	SEMOROS048-2023	4,784
Temporary Assistance for Needy Families	93.558	SEMOROS048-2023	10,880
Stephanie Tubbs Jones Child Welfare Services Program	93.645	SEMOROS048-2023	4,547
Social Services Block Grant	93.667	SEMOROS048-2023	21,227
Family Support Services:			
Foster Care Title IV-E	93.658	Other assistance	221,814
Adoption Assistance	93.659	Other assistance	18,396
Temporary Assistance for Needy Families	93.558	Other assistance	898
Family Support Services Suncoast:			
Foster Care Title IV-E	93.658	Other assistance	78,564
Adoption Assistance	93.659	Other assistance	6,516
Temporary Assistance for Needy Families	93.558	Other assistance	317
Heartland for Children:			
Foster Care Title IV-E	93.658	RFB01	172,409
Adoption Assistance	93.659	RFB01	14,299
Temporary Assistance for Needy Families	93.558	RFB01	698
Foster Care Title IV-E	93.658	TFB01	128,229
Adoption Assistance	93.659	TFB01	10,635
Temporary Assistance for Needy Families	93.558	TFB01	519
Kid Central:			
Foster Care Title IV-E	93.658	Other assistance	7,880
Adoption Assistance	93.659	Other assistance	652
Temporary Assistance for Needy Families	93.558	Other assistance	32
Social Services Block Grant	93.667	Other assistance	51
Northwest Florida Health Network:			
Foster Care Title IV-E	93.658	A0909	216,971
Adoption Assistance	93.659	A0909	17,994
Temporary Assistance for Needy Families	93.558	A0909	878

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, 2023

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):			
Partnership for Strong Families:			
Foster Care Title IV-E	93.658	PNP939 & PNP945	\$ 305,034
Adoption Assistance	93.659	PNP939 & PNP945	24,757
MaryLee Allen Promoting Safe and Stable Families Program	93.556	PNP939 & PNP945	85
Temporary Assistance for Needy Families	93.558	PNP939 & PNP945	5,230
Stephanie Tubbs Jones Child Welfare Services Program	93.645	PNP939 & PNP945	986
Safe Children Coalition:			
Foster Care Title IV-E	93.658	FBHOHCS23 - Flat	211,526
Adoption Assistance	93.659	FBHOHCS23 - Flat	17,544
Temporary Assistance for Needy Families	93.558	FBHOHCS23 - Flat	856
Foster Care Title IV-E	93.658	FBHOHCS23 - Daily	30,391
Adoption Assistance	93.659	FBHOHCS23 - Daily	1,048
Temporary Assistance for Needy Families	93.558	FBHOHCS23 - Daily	524
Social Services Block Grant	93.667	FBHOHCS23 - Daily	20,435
U.S. Department of Justice			
VOCA:			
Crime Victims Assistance	16.575	VE825 - 557	540,779
Crime Victims Assistance	16.575	VE837 - 558	378,545
Crime Victims Assistance	16.575	VE878 - 556	270,987
Crime Victims Assistance	16.575	VE930 - 466	239,920
Crime Victims Assistance	16.575	VE961 - 511	151,936
Total Expenditures of Federal Awards			<u>\$ 4,228,430</u>
State Agency	State CSFA Number	Contract/Grant Number	Expenditures
Florida Department of Children and Families			
Community Partnership for Children:			
Out-of-Home Supports	60.074	D12-22-FBCH-CPA	\$ 173,252
Family Support Services:			
Out-of-Home Supports	60.074	Other assistance	1,003
State Appropriations:			
Services to Victims of Sexual Exploitation	60.152	TJ507	544,183
Florida Baptist Children's Homes - Brave Moms Program	60.165	LJ202	402,502
Florida Department of Juvenile Justice			
State Appropriations:			
Delinquency Prevention	80.029	10662	152,246
Delinquency Prevention	80.029	10798	151,352
Total Expenditures of State Financial Assistance			<u>\$ 1,424,538</u>
Total Federal and State Awards			<u>\$ 5,652,968</u>

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, 2023

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	\$ 768
Temporary Assistance for Needy Families	93.558	56,984
Foster Care Title IV-E	93.658	2,338,994
Adoption Assistance	93.659	194,341
Stephanie Tubbs Jones Child Welfare Services Program	93.645	13,463
Social Services Block Grant	93.667	41,713
Crime Victims Assistance	16.575	<u>1,582,167</u>
Total Expenditures of Federal Awards by CFDA Number		<u>\$ 4,228,430</u>
State Awards Title	State CSFA Number	Expenditures
Out-of-Home Supports	60.074	\$ 174,255
Services to Victims of Sexual Exploitation	60.152	544,183
Florida Baptist Children's Homes - Brave Moms Program	60.165	402,502
Delinquency Prevention	80.029	<u>303,598</u>
Total Expenditures of State Awards by CSFA Number		<u>\$ 1,424,538</u>
Total Federal and State Awards		<u>\$ 5,652,968</u>

**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, 2023

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, 2023. 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 Directors
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, 2023, 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 June 28, 2024, except for our report on the supplementary information for which the date is July 30, 2024.

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

July 30, 2024



Batts Morrison
Wales & Lee

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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 Directors
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, 2023. 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, 2023.

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 omissions, 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

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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650 Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
July 30, 2024

**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, 2023

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 material weaknesses or 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. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs and state projects are 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. 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>
Department of Health and Human Services:	
Foster Care Title IV-E	93.658
Adoption Assistance	93.659
<u>State Projects</u>	<u>State CSFA Number</u>
Florida Department of Children and Families:	
Services to Victims of Sexual Exploitation	60.152
Delinquency Prevention	80.029

8. The threshold used for distinguishing between Type A and B programs was \$750,000 for major federal programs and \$427,361 for major state projects.
9. The Organization did not qualify as a low-risk auditee.

B. FINDINGS

There are no findings to report.

**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, 2023

C. OTHER ISSUES

Prior audit findings are summarized in the Summary Schedule of Prior Audit Findings.

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.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended December 31, 2023**

U.S. Department of Health and Human Services

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 Florida Baptist Children's Homes, Inc. d/b/a One More Child and Affiliates' (collectively referred to herein as "the Organization") 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.

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.

Current Status: The current status is the Corporate Controller prepares the Schedule of Expenditures of Federal Awards. After it is prepared the CFO reviews the SEFA individually. Then the Corporate Controller and CFO review the SEFA together to review any differences from the General Ledger balances to ensure the amounts are reasonable.