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Florida Baptist Convention, Inc.

Financial Statements

For The Years Ended December 31, 2023 and 2022



Batts Morrison
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REPORT OF INDEPENDENT AUDITOR

The State Board of Missions
Florida Baptist Convention, Inc.
Jacksonville, Florida

Opinion

We have audited the accompanying financial statements of Florida Baptist Convention, Inc. (“the Convention”), which consist of the statements of financial position as of December 31, 2023 and 2022, the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Baptist Convention, Inc. as of December 31, 2023 and 2022, the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Convention and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Convention'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Convention'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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in Schedules A and B for the year ended December 31, 2023, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, with the exception of information marked "unaudited," has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information (with the exception of the information marked "unaudited") is fairly stated in all material respects in relation to the financial statements as a whole.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida
May 14, 2024

FLORIDA BAPTIST CONVENTION, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,495,669	\$ 12,962,007
Investments - general	12,955,131	13,578,484
Current portion of ministry program loans receivable, net	1,256,078	1,181,009
Other current assets	283,907	230,441
Total current assets	26,990,785	27,951,941
OTHER ASSETS		
Ministry program loans receivable, net	8,822,493	8,617,420
Other properties	1,268,082	1,114,200
Beneficial interest in perpetual trusts	4,427,104	4,173,818
Investments - restricted for long-term purposes	4,188,560	3,885,221
Total other assets	18,706,239	17,790,659
PROPERTY AND EQUIPMENT, net	9,824,048	9,407,886
Total assets	\$ 55,521,072	\$ 55,150,486
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,562,085	\$ 3,423,725
Vacation and sick pay liability	876,602	818,389
Current portion of accrued postretirement benefit obligation	418,000	471,000
Total current liabilities	3,856,687	4,713,114
ACCRUED POSTRETIREMENT BENEFIT OBLIGATION (noncurrent portion)	6,895,839	7,098,617
Total liabilities	10,752,526	11,811,731
NET ASSETS		
Without donor restrictions	26,755,526	26,468,925
With donor restrictions	18,013,020	16,869,830
Total net assets	44,768,546	43,338,755
Total liabilities and net assets	\$ 55,521,072	\$ 55,150,486

The Accompanying Notes are an Integral
Part of These Financial Statements

FLORIDA BAPTIST CONVENTION, INC.
STATEMENTS OF ACTIVITIES

	For The Years Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS						
Cooperative Program	\$ 28,629,944	\$ —	\$ 28,629,944	\$ 29,180,689	\$ —	\$ 29,180,689
Ministry events	2,292,918	—	2,292,918	2,024,963	—	2,024,963
Contributions	—	1,539,768	1,539,768	—	2,252,185	2,252,185
Interest and dividend income	855,637	—	855,637	751,044	—	751,044
Net investment gain (loss) and other changes	480,311	344,959	825,270	(938,039)	(725,534)	(1,663,573)
Maguire State Missions offerings	707,019	—	707,019	939,238	—	939,238
Other income	433,089	—	433,089	183,985	—	183,985
Change in beneficial interest in perpetual trusts	—	253,286	253,286	—	(722,600)	(722,600)
Net assets released from restrictions	994,823	(994,823)	—	1,029,003	(1,029,003)	—
Total public support and revenue and net assets released from restrictions	34,393,741	1,143,190	35,536,931	33,170,883	(224,952)	32,945,931
EXPENSES						
Program expenses						
Southern Baptist Convention Cooperative Program	14,410,231	—	14,410,231	14,778,599	—	14,778,599
State missions, church planting assistance, and other program activities	10,278,293	—	10,278,293	9,272,369	—	9,272,369
Grants to Cooperating Ministries in Florida	2,442,000	—	2,442,000	2,392,000	—	2,392,000
Ministry events	1,655,759	—	1,655,759	1,222,549	—	1,222,549
Total program expenses	28,786,283	—	28,786,283	27,665,517	—	27,665,517
Supporting expenses						
General and administrative	5,474,498	—	5,474,498	4,567,944	—	4,567,944
Fund development	95,339	—	95,339	82,568	—	82,568
Total supporting expenses	5,569,837	—	5,569,837	4,650,512	—	4,650,512
Total expenses	34,356,120	—	34,356,120	32,316,029	—	32,316,029
Change in net assets before actuarial gain, change in plan benefit, and curtailment gain on postretirement benefit plans	37,621	1,143,190	1,180,811	854,854	(224,952)	629,902
Actuarial gain - postretirement benefit plans	248,980	—	248,980	2,273,784	—	2,273,784
Change in plan benefit - postretirement benefit plans	—	—	—	(1,358,874)	—	(1,358,874)
Curtailment gain - postretirement benefit plans	—	—	—	208,472	—	208,472
CHANGE IN NET ASSETS	286,601	1,143,190	1,429,791	1,978,236	(224,952)	1,753,284
NET ASSETS - Beginning of year	26,468,925	16,869,830	43,338,755	24,490,689	17,094,782	41,585,471
NET ASSETS - End of year	\$ 26,755,526	\$ 18,013,020	\$ 44,768,546	\$ 26,468,925	\$ 16,869,830	\$ 43,338,755

The Accompanying Notes are an Integral
Part of These Financial Statements

FLORIDA BAPTIST CONVENTION, INC.
STATEMENTS OF CASH FLOWS

	For The Years Ended	
	December 31,	
	<u>2023</u>	<u>2022</u>
OPERATING CASH FLOWS		
Cash received from donors	\$ 30,876,731	\$ 32,372,112
Cash received from events, facilities fees, and other sources	2,726,007	2,208,948
Investment income received	855,637	751,044
Cash paid for operating activities and costs	<u>(32,769,225)</u>	<u>(31,827,489)</u>
Net operating cash flows	<u>1,689,150</u>	<u>3,504,615</u>
INVESTING CASH FLOWS		
Purchases of investments, net	(289,808)	(1,510,309)
Collections of ministry program loans	2,381,219	3,097,486
Ministry program loans made	(2,776,361)	(2,645,000)
Net (investment in) release of assets restricted for long-term purposes	(303,339)	683,099
Purchases of and improvements to property and equipment	<u>(1,167,199)</u>	<u>(832,001)</u>
Net investing cash flows	<u>(2,155,488)</u>	<u>(1,206,725)</u>
FINANCING CASH FLOWS		
Principal reductions on note payable	<u>—</u>	<u>(176,000)</u>
Net financing cash flows	<u>—</u>	<u>(176,000)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(466,338)	2,121,890
CASH AND CASH EQUIVALENTS - Beginning of year	<u>12,962,007</u>	<u>10,840,117</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 12,495,669</u>	<u>\$ 12,962,007</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET		
OPERATING CASH FLOWS		
Change in net assets	\$ 1,429,791	\$ 1,753,284
Adjustments to reconcile change in net assets to net operating cash flows		
Ministry program loans forgiven	115,000	240,351
Non-cash grants	1,075,277	—
Depreciation	751,037	695,786
Net (gain) loss on investments	(825,270)	1,663,573
Change in other current assets	(53,466)	(230,441)
Change in other properties	(153,882)	—
Change in beneficial interest in perpetual trusts	(253,286)	722,600
Change in accounts payable and accrued expenses	(198,486)	(158,967)
Change in vacation and sick pay liability	58,213	(17,757)
Change in accrued postretirement benefit obligation	<u>(255,778)</u>	<u>(1,163,814)</u>
Net operating cash flows	<u>\$ 1,689,150</u>	<u>\$ 3,504,615</u>

Supplemental Disclosure

During 2023, the Convention sold certain property with a carrying value of approximately \$1,738,000 and was released of a certain liability of approximately \$663,000 as is further described in Note E.

FLORIDA BAPTIST CONVENTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2023

	Program expenses				Supporting expenses				Total expenses
	Southern Baptist Convention Cooperative Program	State missions, church planting assistance, and other program activities	Grants to Cooperating Ministries in Florida	Ministry events	Total program expenses	General and administrative	Fund development	Total supporting expenses	
Cash grants to others	\$ 14,410,231	\$ —	\$ 2,442,000	\$ —	\$ 16,852,231	\$ —	\$ —	\$ —	\$ 16,852,231
Salaries and wages	—	2,229,325	—	—	2,229,325	1,484,876	—	1,484,876	3,714,201
Church planting and revitalization	—	2,174,243	—	—	2,174,243	707,175	—	707,175	2,881,418
Ministry events	—	—	—	1,655,759	1,655,759	96,477	—	96,477	1,752,236
Employee benefits	—	982,978	—	—	982,978	445,463	—	445,463	1,428,441
Non-cash grants to others	—	1,190,277	—	—	1,190,277	—	—	—	1,190,277
Office and operations	—	—	—	—	—	989,672	—	989,672	989,672
Missions and ministry	—	816,291	—	—	816,291	—	—	—	816,291
Depreciation	—	563,278	—	—	563,278	187,759	—	187,759	751,037
Disaster relief grants	—	723,811	—	—	723,811	—	—	—	723,811
Regional ministries	—	682,661	—	—	682,661	—	—	—	682,661
Insurance	—	—	—	—	—	577,900	—	577,900	577,900
Next generation ministries	—	391,611	—	—	391,611	—	—	—	391,611
Travel	—	—	—	—	—	358,454	—	358,454	358,454
Retiree benefits	—	—	—	—	—	287,262	—	287,262	287,262
Maintenance	—	—	—	—	—	251,460	—	251,460	251,460
Meetings	—	132,000	—	—	132,000	88,000	—	88,000	220,000
Investment distributions	—	198,292	—	—	198,292	—	—	—	198,292
Communications	—	63,559	—	—	63,559	—	95,339	95,339	158,898
Ministry investment	—	114,778	—	—	114,778	—	—	—	114,778
Other properties	—	15,189	—	—	15,189	—	—	—	15,189
Total	\$ 14,410,231	\$ 10,278,293	\$ 2,442,000	\$ 1,655,759	\$ 28,786,283	\$ 5,474,498	\$ 95,339	\$ 5,569,837	\$ 34,356,120

The Accompanying Notes are an Integral
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FLORIDA BAPTIST CONVENTION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2022

	Program expenses				Supporting expenses				Total expenses
	Southern Baptist Convention Cooperative Program	State missions, church planting assistance, and other program activities	Grants to Cooperating Ministries in Florida	Ministry events	Total program expenses	General and administrative	Fund development	Total supporting expenses	
Cash grants to others	\$ 14,778,599	\$ —	\$ 2,392,000	\$ —	\$ 17,170,599	\$ —	\$ —	\$ —	\$ 17,170,599
Salaries and wages	—	2,024,816	—	—	2,024,816	1,501,306	—	1,501,306	3,526,122
Church planting and revitalization	—	2,418,006	—	—	2,418,006	—	—	—	2,418,006
Ministry events	—	—	—	1,222,549	1,222,549	—	—	—	1,222,549
Employee benefits	—	692,099	—	—	692,099	441,392	—	441,392	1,133,491
Office and operations	—	—	—	—	—	989,599	—	989,599	989,599
Missions and ministry	—	886,907	—	—	886,907	—	—	—	886,907
Disaster relief grants	—	770,356	—	—	770,356	—	—	—	770,356
Depreciation	—	521,840	—	—	521,840	173,946	—	173,946	695,786
Regional ministries	—	692,890	—	—	692,890	—	—	—	692,890
Maintenance	—	—	—	—	—	408,224	—	408,224	408,224
Travel	—	—	—	—	—	403,262	—	403,262	403,262
Next generation ministries	—	372,032	—	—	372,032	—	—	—	372,032
Investment distributions	—	315,176	—	—	315,176	—	—	—	315,176
Insurance	—	—	—	—	—	279,810	—	279,810	279,810
Retiree benefits	—	—	—	—	—	277,618	—	277,618	277,618
Non-cash grants to others	—	240,351	—	—	240,351	—	—	—	240,351
Meetings	—	139,181	—	—	139,181	92,787	—	92,787	231,968
Communications	—	55,044	—	—	55,044	—	82,568	82,568	137,612
Ministry investment	—	114,778	—	—	114,778	—	—	—	114,778
Other properties	—	28,893	—	—	28,893	—	—	—	28,893
Total	\$ 14,778,599	\$ 9,272,369	\$ 2,392,000	\$ 1,222,549	\$ 27,665,517	\$ 4,567,944	\$ 82,568	\$ 4,650,512	\$ 32,316,029

The Accompanying Notes are an Integral
Part of These Financial Statements

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Florida Baptist Convention, Inc. (“the Convention”) is a Florida-based not-for-profit organization which provides support to Southern Baptist churches and which promotes the Cooperative Program – a joint ministry endeavor of the various state conventions and the Southern Baptist Convention through which the churches and various cooperating ministries and institutions carry out their worldwide denominational programs.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Convention recognizes cash contributions as revenue when the contributions are received by the Convention. Contributions received are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. 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 statements of activities as “net assets released from restrictions.”

Revenue classifications

The Convention’s primary revenue sources included in the accompanying statements of activities are further described as follows:

Cooperative Program

Gifts made by Florida Baptist churches to the Convention’s Cooperative Program.

Ministry events

Various ministry-related activities conducted by the Convention in Florida and elsewhere. Such activities include conferences, camps, seminars, lectures, retreats, missions, concerts, and other educational activities.

Maguire State Missions offerings

Gifts made by churches and others to the Convention’s Maguire State Missions program, which provides grants to new churches.

Cash and cash equivalents

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

Investments

Investments are carried at estimated fair value.

Ministry program loans

Ministry program loans are stated at their unpaid principal amounts outstanding, reduced by an allowance for credit losses. Certain ministry program loans are collateralized by church real estate. Interest income from the interest-bearing loans is recognized in the accompanying statements of activities as revenue when received. The results of this recognition method do not materially differ from those that would be reported under the accrual method. The carrying value of loan balances approximates fair value.

The Convention classifies loans as impaired when it is probable that it will be unable to collect all amounts due according to contractual terms of the loan agreements. Loans are classified as delinquent when payments are 90 days past due. Payments for delinquent loans are applied to interest first, and then to principal, for each past due month starting with the oldest such past due payment. Ministry program loans are written off upon management’s determination that the amounts are uncollectible.

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for credit losses

Management determines an appropriate allowance for credit losses based upon historical credit loss experience, the amount of past due and nonperforming loans, specific known risks, the value of collateral securing the loans, and current and anticipated economic and interest rate conditions. Evaluation of these factors involves subjective estimates and judgments that may change over time. Changes to the allowance are further described in the section entitled “allowance for credit losses” in Note G.

Other properties

Other properties are stated at cost, if purchased, or at estimated fair value on the date of donation, if donated. Other properties are held primarily for rental to churches in Florida.

Beneficial interest in perpetual trusts

Florida Baptist Foundation (“the Foundation”) is a Florida not-for-profit organization whose purposes and activities are to solicit and administer various types of gifts held for the benefit of the Convention and other organizations. The Convention records its beneficial interest in endowments held in trust and administered by the Foundation at estimated fair value. In order to reflect the Convention’s interest in the net assets of the Foundation in the most fair and appropriate manner, the Convention records changes in the underlying estimated fair value of the related investments as changes in net assets with donor restrictions in the accompanying statements of activities.

Investments – restricted for long-term purposes

Investments – restricted for long-term purposes include funds held by the Foundation, primarily in common stock, U.S. Treasury securities, corporate bonds, mutual funds, and nonpublicly traded investments in a diversified portfolio carried at estimated fair value as reported by the Foundation. These assets are primarily restricted to the trust or endowment agreements to which they relate.

Property and equipment

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets.

Net assets

Net assets without donor restrictions are available for use at the discretion of the State Board of Missions and/or management for general operating purposes. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

Postretirement benefit plans

The Convention provides postretirement healthcare, life insurance, and retirement gift benefits for retired employees. The Convention accounts for the plans following guidance prescribed under accounting principles generally accepted in the United States of America (“GAAP”).

Functional allocation of expenses

The statements of functional expenses present 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 functional areas based primarily on employee time and space utilization.

Income taxes

The Convention 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. The Convention is further classified as a public charity and not a private foundation for federal tax purposes. The Convention has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

Management uses estimates and assumptions in preparing the 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 financial statements include those related to the estimated fair value of investments, the collectability of ministry program loans receivable, the estimated fair value of beneficial interest in perpetual trusts, the useful lives of property and equipment, and the calculation of the accrued postretirement benefit obligation. Actual results could differ from the estimates.

New accounting pronouncement

The Convention adopted Financial Accounting Standards Board Accounting Standards Update (“ASU”) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments which is effective for the Convention’s financial statements for the year ended December 31, 2023. The ASU revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The adoption of the ASU had no net effect on the Convention’s net assets as of January 1, 2022 or the change in net assets for 2022.

Reclassifications

Certain amounts included in the 2022 financial statements have been reclassified to conform to classifications adopted during 2023. The reclassifications had no material effect on the accompanying financial statements.

Subsequent events

The Convention 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 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 statements of financial position are as follows:

	<u>December 31.</u>	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 12,495,669	\$ 12,962,007
Investments	17,143,691	17,463,705
Current portion of ministry program loans receivable, net	<u>1,256,078</u>	<u>1,181,009</u>
Total financial assets available	30,895,438	31,606,721
Less:		
Amounts unavailable for general expenditure within one year due to:		
Perpetual endowments	(4,188,560)	(3,885,221)
Donor-imposed restrictions	<u>(2,897,356)</u>	<u>(2,310,791)</u>
Net financial assets available within one year	<u>\$ 23,809,522</u>	<u>\$ 25,410,709</u>

FLORIDA BAPTIST CONVENTION, INC.
 NOTES TO FINANCIAL STATEMENTS

NOTE C - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Convention is primarily supported by contributions from churches and other donors. As part of the Convention's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Convention must maintain sufficient resources to meet its responsibilities to donors. Thus, those financial assets may not be available for general expenditure within one year of December 31, 2023 and 2022. Management of the Convention believes the Convention has sufficient resources available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

NOTE D - CONCENTRATIONS

The Convention 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 Convention 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 consisted of the following:

Category	December 31,	
	2023	2022
Assets administered by Florida Baptist Foundation	\$ 9,505,198	\$ 8,252,729
Equity securities (including equity mutual funds)	5,030,332	3,319,436
Debt securities (including fixed income mutual funds)	2,134,124	3,290,230
Church Growth Investment Fund ("CGIF") time and demand certificates	474,037	476,652
Real estate	—	1,738,431
CGIF certificates of participation, net	—	386,227
Total investments	\$ 17,143,691	\$ 17,463,705

The above amounts are reported in the accompanying statements of financial position as follows:

	December 31,	
	2023	2022
Investments - general	\$ 12,955,131	\$ 13,578,484
Investments - restricted for long-term purposes	4,188,560	3,885,221
Total investments	\$ 17,143,691	\$ 17,463,705

Substantially all investments held by the Foundation are pooled with funds transferred to the Foundation by other parties. Such funds are invested by the Foundation primarily in common stock, U.S. Treasury securities, corporate bonds, mutual funds, and nonpublicly traded investments in a diversified portfolio which is managed by a third party pursuant to the Foundation's investment policies. Investments held by the Foundation include approximately \$4,189,000 and \$3,885,000 of investments restricted to endowments as of December 31, 2023 and 2022, respectively.

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE E – INVESTMENTS (Continued)

The investments in securities of CGIF consist of time and demand certificates and certificates of participation for church loans which are made to Baptist churches in Florida. The interest rate on the Convention's invested funds varies depending upon market conditions. The loan portfolio is serviced by the Foundation. Approximately \$586,000 of the Convention's gross participation interest at December 31, 2022, is for one loan (the net participation interest after reducing the loan for an impairment allowance is approximately \$386,000 as of December 31, 2022).

Deed in lieu of foreclosure

As of December 31, 2022, the Convention held an interest in real estate valued at approximately \$1,738,000 which is included in "investments - general" in the accompanying statement of financial position. The interest was recognized pursuant to a Settlement Agreement ("the Agreement") executed in connection with a deed in lieu of foreclosure transaction ("the Transaction") entered into during 2022 by the Convention and CGIF as grantees and a certain church as grantor. In connection with entering into the Agreement, the Convention released the grantor from its obligation to repay a loan to the Convention with a carrying value of approximately \$191,000 as of the date of the Transaction. The Convention also recognized a liability of approximately \$663,000 due to CGIF related to a certain guarantee agreement, which is included in "accounts payable and accrued expenses" in the accompanying statement of financial position as of December 31, 2022, and a gain of approximately \$885,000 which is included in "net investment (gain) loss and other changes" in the accompanying statement of activities for the year ended December 31, 2022.

During 2023, the Convention and CGIF sold the subject real estate to a certain church for \$3,150,000 and the liability to CGIF was satisfied. The difference between the Convention's carrying value of the property of approximately \$1,738,000 and the satisfaction of the liability to CGIF of approximately \$663,000 was approximately \$1,075,000 at the time of sale. Accordingly, the Convention recognized a non-cash grant expense of approximately \$1,075,000 which is included within "State missions, church planting assistance, and other program activities" on the accompanying statement of activities for the year ended December 31, 2023.

NOTE F – 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 assets (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 assets

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

Level 3 – significant unobservable inputs

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENTS (Continued)

The estimated fair value of assets administered by the Foundation and CGIF determined using Level 2 inputs is based on amounts provided by the Foundation and CGIF, or in the case of the Level 3 investments, the Convention’s ownership interest in the underlying loans. The estimated fair value of the beneficial interest in perpetual trusts using Level 3 inputs is calculated based on the Convention’s interest in trusts held in perpetuity by the Foundation for which the Convention is a named beneficiary. Such calculations utilize the Foundation’s estimates of fair value of the underlying investments. The estimated fair value of investments in real estate using Level 2 inputs is based on an independent appraisal. The change in the components of financial instruments measured using Level 3 inputs in each of the years 2023 and 2022 was immaterial.

Estimated fair value of certain assets 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>
Assets administered by the Foundation	\$ 9,505,198	\$ —	\$ 9,505,198	\$ —
Equity securities (including equity mutual funds)	5,030,332	5,030,332	—	—
Beneficial interest in perpetual trusts	4,427,104	—	—	4,427,104
Debt securities (including fixed income mutual funds)	2,134,124	2,134,124	—	—
Assets administered by CGIF	<u>474,037</u>	<u>—</u>	<u>474,037</u>	<u>—</u>
Total	<u>\$ 21,570,795</u>	<u>\$ 7,164,456</u>	<u>\$ 9,979,235</u>	<u>\$ 4,427,104</u>

Estimated fair value of certain assets 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>
Assets administered by the Foundation	\$ 8,252,729	\$ —	\$ 8,252,729	\$ —
Beneficial interest in perpetual trusts	4,173,818	—	—	4,173,818
Equity securities (including equity mutual funds)	3,319,436	3,319,436	—	—
Debt securities (including fixed income mutual funds)	3,290,230	3,290,230	—	—
Real estate	1,738,431	—	1,738,431	—
Assets administered by CGIF	<u>862,879</u>	<u>—</u>	<u>476,652</u>	<u>386,227</u>
Total	<u>\$ 21,637,523</u>	<u>\$ 6,609,666</u>	<u>\$ 10,467,812</u>	<u>\$ 4,560,045</u>

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – MINISTRY PROGRAM LOANS RECEIVABLE

Ministry program loans receivable consisted of the following:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Notes administered by the Convention’s Support Services office and held in the Convention’s Church Loan Fund, those issued prior to 2016 are secured by real property, with interest rates up to 5% per annum, maturing through 2034	\$ 6,226,174	\$ 5,868,826
Interest-free loans made for the purpose of disaster relief, unsecured, maturing through 2033	2,164,056	2,005,310
Notes administered by the Convention’s Support Services office and held in the Convention’s New Work Fund, secured by real property, with interest rates up to 8% per annum, maturing through 2036	1,785,661	2,029,569
Interest-free loans to assist churches in Florida during the global pandemic emergency, unsecured, maturing through 2030	181,252	206,251
Interest-free loans made for the purpose of helping churches with small capital projects, unsecured, maturing through 2028	178,250	—
Interest-free loans made for the purpose of establishing new church sites, secured by real property, maturing through 2024	<u>73,178</u>	<u>102,473</u>
Total ministry program loans receivable	10,608,571	10,212,429
Less: Allowance for credit losses	<u>(530,000)</u>	<u>(414,000)</u>
Net ministry program loans receivable	10,078,571	9,798,429
Less: Current maturities	<u>(1,256,078)</u>	<u>(1,181,009)</u>
Net noncurrent portion	<u>\$ 8,822,493</u>	<u>\$ 8,617,420</u>

Substantially all loans receivable consisted of loans made to Baptist churches in the state of Florida. The Convention forgave \$115,000 and \$240,351 of ministry program loans to assist churches in Florida during 2023 and 2022, respectively.

Loan Balances Stratified by Principal Amount

As of December 31, 2023, the Convention had 174 loans with balances as follows:

<u>Loan Balance</u>	<u>Number of Loans</u>	<u>Principal Outstanding</u>	<u>Percent of Loan Portfolio</u>
Less than \$10,000	15	\$ 69,631	1%
\$10,000 - \$49,999	62	1,620,981	15%
\$50,000 - \$99,999	69	5,140,166	49%
\$100,000 - \$149,999	23	2,910,994	27%
\$150,000 or more	<u>5</u>	<u>866,799</u>	<u>8%</u>
Total	174	\$ 10,608,571	100%

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – MINISTRY PROGRAM LOANS RECEIVABLE (Continued)

As of December 31, 2022, the Convention had 162 loans with balances as follows:

<u>Loan Balance</u>	<u>Number of Loans</u>	<u>Principal Outstanding</u>	<u>Percent of Loan Portfolio</u>
Less than \$10,000	21	\$ 105,724	1%
\$10,000 - \$49,999	47	1,290,485	13%
\$50,000 - \$99,999	61	4,413,386	42%
\$100,000 - \$149,999	25	3,018,166	30%
<u>\$150,000 or more</u>	<u>8</u>	<u>1,384,668</u>	<u>14%</u>
Total	162	\$ 10,212,429	100%

Delinquent Loans

As of December 31, 2023 and 2022, loans with outstanding principal balances of \$350,448 and \$493,546 were classified as delinquent.

Impaired Loans

As of December 31, 2023 and 2022, the Convention held no outstanding loans that were considered to be impaired.

Allowance for Credit Losses

Allowance for credit losses during 2023 was as follows:

	Year Ended December 31, 2023
Allowances for credit losses	
Beginning balance	\$ 414,000
Charge-offs	—
Recoveries	—
<u>Provision (reduction)</u>	<u>116,000</u>
Ending balance	530,000
<u>Ending balance individually evaluated for impairment</u>	<u>—</u>
<u>Ending balance collectively evaluated for impairment</u>	<u>\$ 530,000</u>

Allowance for credit losses during 2022 was as follows:

	Year Ended December 31, 2022
Allowances for credit losses	
Beginning balance	\$ 414,000
Charge-offs	—
Recoveries	—
<u>Provision (reduction)</u>	<u>—</u>
Ending balance	414,000
<u>Ending balance individually evaluated for impairment</u>	<u>200,000</u>
<u>Ending balance collectively evaluated for impairment</u>	<u>\$ 214,000</u>

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – MINISTRY PROGRAM LOANS RECEIVABLE (Continued)

Loan Performance

Credit risk profile based on payment activity as of December 31, 2023:

	<u>Principal Balance</u>
Performing loans	\$ 10,258,123
Non-performing loans *	350,448
Total	\$ 10,608,571

* Loans 90 days past due or more, last evaluated as of December 31, 2023

Credit risk profile based on payment activity as of December 31, 2022:

	<u>Principal Balance</u>
Performing loans	\$ 9,718,883
Non-performing loans *	493,546
Total	\$ 10,212,429

* Loans 90 days past due or more, last evaluated as of December 31, 2022

Ages of Delinquent Loans

Age analysis of delinquent loan balances as of December 31, 2023:

		90-179 Days Past Due		180-365 Days Past Due		More than 365 Days Past Due		Total Delinquent
2023								
Principal Balance	\$	234,238	\$	—	\$	116,210	\$	350,448

Age analysis of delinquent loan balances as of December 31, 2022:

		90-179 Days Past Due		180-365 Days Past Due		More than 365 Days Past Due		Total Delinquent
2022								
Principal Balance	\$	487,946	\$	—	\$	5,600	\$	493,546

NOTE H – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>December 31,</u>	
<u>Category</u>	<u>2023</u>	<u>2022</u>
Land and buildings	\$ 11,056,854	\$ 11,025,368
Furniture and fixtures	4,630,842	3,619,731
Automobiles	1,110,051	1,100,593
Total property and equipment	16,797,747	15,745,692
Less: Accumulated depreciation	(6,973,699)	(6,337,806)
Net property and equipment	\$ 9,824,048	\$ 9,407,886

Depreciation expense was \$751,037 and \$695,786 for the years ended December 31, 2023 and 2022, respectively.

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I – POSTRETIREMENT BENEFIT PLANS

The Convention provides postretirement healthcare, life insurance, and retirement gift benefits for retired employees (“the Plans”). The benefits provided from the healthcare and retirement gift plans are made available to any person who was age 50 as of December 31, 2012 or who completed 12 years of service as of December 31, 2012. The life insurance plan is made available to a closed group of retirees. The Convention funds the Plans as claims are made.

During 2023, changes in the discount rate and revisions of other estimates and assumptions resulted in a reduction in the total accrued postretirement benefit liability of \$255,778.

During 2022, the Convention made certain revisions to benefits provided under its postretirement healthcare and retirement gift plans. The revisions expanded the coverage offered under the plans and modified the eligibility requirements for participation in the plans. These plan changes accounted for an increase of approximately \$1,359,000 in the postretirement benefit obligation. This increase was offset by a curtailment of the life insurance plan, changes in the discount rate, and revisions of other estimates and assumptions, resulting in an overall reduction in the total accrued postretirement benefit liability of \$1,163,814.

The total accrued postretirement benefit liability of the Convention’s postretirement benefit plans as of December 31, 2023 and 2022 amounted to \$7,313,839 and \$7,569,617, respectively.

There are no plan assets for the Convention’s postretirement benefit plans, as postretirement benefits are funded by the Convention when claims are made.

Net benefits paid under each plan during 2023 and 2022 were as follows:

	Healthcare Plan	Life Plan	Retirement Gift Plan	Total
Benefits paid – 2023	\$ 466,897	\$ —	\$ 64,791	\$ 531,688
Benefits paid – 2022	\$ 552,910	\$ —	\$ 23,183	\$ 576,093

The weighted-average assumptions used in developing the postretirement benefit obligations were as follows:

	Healthcare Plan	Life Plan	Retirement Gift Plan
Discount rate, December 31, 2023	4.83%	4.83%	4.83%
Discount rate, December 31, 2022	5.02%	5.02%	5.02%

The assumed healthcare cost trend rate for 2023 used to measure the December 31, 2023 liability was 6.80%. The ultimate trend rate of 5.00% is expected to be achieved in 2027.

A one percentage point increase in the assumed healthcare cost trend rates for each future year would increase the accumulated postretirement benefit obligation at December 31, 2023 by approximately \$896,000. A one percentage point decrease in the assumed healthcare cost trend rates for each future year would decrease the accumulated postretirement benefit obligation at December 31, 2023 by approximately \$751,000.

The estimated total benefits expected to be paid under all three plans during each of the next five years and in aggregate for the five years thereafter are as follows:

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I – POSTRETIREMENT BENEFIT PLANS (Continued)

<u>Year Ending December 31.</u>	
2024	\$ 418,000
2025	429,000
2026	637,000
2027	653,000
2028	668,000
Next five years	<u>2,556,000</u>
Total	<u>\$ 5,361,000</u>

Because the Plans are funded as claims are made, the expected employer contribution for 2024 is \$418,000.

The amount of net periodic postretirement benefit cost recognized for 2023 and 2022 is as follows:

	<u>Healthcare Plan</u>	<u>Life Plan</u>	<u>Retirement Gift Plan</u>	<u>Total</u>
Net cost – 2023	<u>\$ 266,293</u>	<u>\$ 9,906</u>	<u>\$ 31,077</u>	<u>\$ 307,276</u>
Net cost – 2022	<u>\$ 285,193</u>	<u>\$ 6,979</u>	<u>\$ 33,461</u>	<u>\$ 325,633</u>

There were no significant non-routine events, such as combinations, divestitures, or settlements affecting the Plans during 2023 or 2022.

Following is a reconciliation of the accumulated postretirement benefit obligation (APBO):

	<u>Healthcare Plan</u>	<u>Life Plan</u>	<u>Retirement Gift Plan</u>	<u>Total</u>
APBO, January 1, 2022	\$ 7,976,723	\$ 515,397	\$ 241,311	\$ 8,733,431
Service cost	253,964	—	12,057	266,021
Interest cost	255,239	6,979	7,422	269,640
Actuarial (gain) loss	(2,170,974)	(108,130)	5,320	(2,273,784)
Change in plan benefit	1,337,913	—	20,961	1,358,874
Curtailment gain	—	(208,472)	—	(208,472)
Benefits paid	<u>(552,910)</u>	<u>—</u>	<u>(23,183)</u>	<u>(576,093)</u>
APBO, December 31, 2022	7,099,955	205,774	263,888	7,569,617
Service cost	164,176	—	9,789	173,965
Interest cost	328,360	11,050	11,515	350,925
Actuarial (gain) loss	(273,966)	(6,658)	31,644	(248,980)
Benefits paid	<u>(466,897)</u>	<u>—</u>	<u>(64,791)</u>	<u>(531,688)</u>
APBO, December 31, 2023	<u>\$ 6,851,628</u>	<u>\$ 210,166</u>	<u>\$ 252,045</u>	<u>\$ 7,313,839</u>

The actuarial gain reported in the accompanying 2023 and 2022 statements of activities of \$248,980 and \$2,273,784, respectively, represents the portion of the actuarial adjustment not included in the 2023 and 2022 net periodic postretirement benefit cost.

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I – POSTRETIREMENT BENEFIT PLANS (Continued)

Following are changes in amounts not yet recognized in net periodic postretirement benefit cost:

	<u>Healthcare Plan</u>	<u>Life Plan</u>	<u>Retirement Gift Plan</u>	<u>Total</u>
Prior service cost (credit), January 1, 2022	\$ (189,186)	\$ —	\$ —	\$ (189,186)
Change in plan benefit	1,337,913	—	20,961	1,358,874
Amount recognized during 2022	<u>88,843</u>	<u>—</u>	<u>(1,572)</u>	<u>87,271</u>
Prior service cost, December 31, 2022	1,237,570	—	19,389	1,256,959
Amount recognized during 2023	<u>(133,781)</u>	<u>—</u>	<u>(2,096)</u>	<u>(135,877)</u>
Prior service cost, December 31, 2023	<u>\$ 1,103,789</u>	<u>\$ —</u>	<u>\$ 17,293</u>	<u>\$ 1,121,082</u>

Following are changes in amounts not yet recognized in net periodic postretirement benefit cost (Continued):

	<u>Healthcare Plan</u>	<u>Life Plan</u>	<u>Retirement Gift Plan</u>	<u>Total</u>
Actuarial (gain) loss, January 1, 2022	\$ (1,962,036)	\$ 60,328	\$ 141,144	\$ (1,760,564)
Amount added during 2022	(2,170,974)	(108,130)	5,320	(2,273,784)
Amount recognized during 2022	<u>135,167</u>	<u>—</u>	<u>(12,410)</u>	<u>122,757</u>
Actuarial (gain) loss, December 31, 2022	(3,997,843)	(47,802)	134,054	(3,911,591)
Amount added during 2023	(273,966)	(6,658)	31,644	(248,980)
Amount recognized during 2023	<u>360,024</u>	<u>1,144</u>	<u>(7,677)</u>	<u>353,491</u>
Actuarial (gain) loss, December 31, 2023	<u>\$ (3,911,785)</u>	<u>\$ (53,316)</u>	<u>\$ 158,021</u>	<u>\$ (3,807,080)</u>

Estimated amounts to be amortized during 2023:

Prior service cost	\$ 133,781	\$ 2,096	\$ 2,096	\$ 137,973
Actuarial (gain) loss	<u>(297,659)</u>	<u>(3,230)</u>	<u>13,308</u>	<u>(287,581)</u>
Total	<u>\$ (163,878)</u>	<u>\$ (1,134)</u>	<u>\$ 15,404</u>	<u>\$ (149,608)</u>

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE J – NOTE PAYABLE

The Convention had a note payable agreement with a certain foundation. The proceeds were used to make loans primarily to Baptist churches located in the state of Florida for the purpose of either disaster relief or church site development. The note was unsecured, interest-free, and payable at a repayment rate no greater than the repayment terms offered by the Convention for loans made by the Convention with the related proceeds. During 2022, the Convention paid the note payable in full.

NOTE K – RESTRICTIONS ON NET ASSETS

Activity for net assets with time and/or purpose restrictions during 2023 was as follows:

	<u>Balance January 1</u>	<u>Contributions and investment income</u>	<u>Releases</u>	<u>Balance December 31</u>
Disaster relief efforts	\$ 1,830,298	\$ 1,276,005	\$ (773,189)	\$ 2,333,114
Other ministry activities	<u>480,493</u>	<u>305,383</u>	<u>(221,634)</u>	<u>564,242</u>
Total	<u>\$ 2,310,791</u>	<u>\$ 1,581,388</u>	<u>\$ (994,823)</u>	<u>\$ 2,897,356</u>

Activity for net assets with time and/or purpose restrictions during 2022 was as follows:

	<u>Balance January 1</u>	<u>Contributions and investment income</u>	<u>Releases</u>	<u>Balance December 31</u>
Disaster relief efforts	\$ 638,188	\$ 1,991,390	\$ (799,280)	\$ 1,830,298
Other ministry activities	<u>491,856</u>	<u>218,360</u>	<u>(229,723)</u>	<u>480,493</u>
Total	<u>\$ 1,130,044</u>	<u>\$ 2,209,750</u>	<u>\$ (1,029,003)</u>	<u>\$ 2,310,791</u>

Net assets with donor restrictions held in perpetuity consists of the following:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Southeast Regional Center (see below)	\$ 6,500,000	\$ 6,500,000
Interest in net assets of the Foundation	4,427,104	4,173,818
Endowment funds held by the Foundation and others	<u>4,188,560</u>	<u>3,885,221</u>
Total net assets with donor restrictions held in perpetuity	<u>\$ 15,115,664</u>	<u>\$ 14,559,039</u>

Substantially all distributions from net assets with donor restrictions held in perpetuity are available for general operating purposes.

FLORIDA BAPTIST CONVENTION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE K – RESTRICTIONS ON NET ASSETS (Continued)

The following reconciles the above amounts (as of the end of each year) with the accompanying statements of financial position:

	December 31,	
	2023	2022
Net assets with time and/or purpose restrictions	\$ 2,897,356	\$ 2,310,791
Net assets with donor restrictions held in perpetuity	15,115,664	14,559,039
Total net assets with donor restrictions	\$ 18,013,020	\$ 16,869,830

The Convention preserves the fair value of all original endowment gifts, which management deems is in compliance with state law. Accordingly, the Convention classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the perpetual endowment and (b) the original value of subsequent gifts to the perpetual endowment. The Convention 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 Convention seeks the advice of investment counsel, as well as management and the Board when determining amounts to be spent on supported programs.

During a prior year, a church located in south Florida executed a quit-claim deed transferring ownership of certain land and buildings to the Convention. The recorded value of the property was \$6,500,000, which was based on an independent appraisal and is included in the accompanying financial statements under the captions “property and equipment, net” and “net assets with donor restrictions.” Pursuant to the terms of the quit-claim deed, if the Convention sells the property at any time in the future, the proceeds from the sale are required to be deposited into the Convention’s Cooperative Program Endowment Fund, which is administered by the Foundation. The Convention uses this property as its Southeast Regional Center, a ministry outreach targeted at the south Florida population.

NOTE L – RETIREMENT PLAN

The Convention participates in a defined contribution retirement plan (“the Plan”) which is administered by GuideStone Financial Resources of the Southern Baptist Convention. Eligible employees include all full-time employees with at least two years of experience in a Southern Baptist church, state Baptist Convention, denominational agency, and/or related Southern Baptist agency. The Convention contributes a discretionary percentage of each employee’s salary to the Plan as determined by management and the State Board of Missions annually. During 2023 and 2022, contributions to the Plan amounted to approximately \$347,000 and \$334,000, respectively.

NOTE M – TRANSACTIONS WITH COOPERATING MINISTRIES

During 2023 and 2022, the Convention paid approximately \$912,000 per year to Florida Baptist Children’s Homes, Inc., \$1,370,000 and \$1,320,000, respectively, to The Baptist College of Florida, Inc., and \$160,000 per year to Lake Yale Baptist Conference Center, Inc. All such payments were made in furtherance of the Convention’s exempt purpose. These entities cooperate in ministry with the Convention. Such amounts are included in the accompanying statements of activities under the caption “Grants to Cooperating Ministries in Florida” expense.

SUPPLEMENTARY INFORMATION

FLORIDA BAPTIST CONVENTION, INC.
COOPERATIVE PROGRAM FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For The Year Ended December 31, 2023

SCHEDULE A

	<u>Budget (unaudited)</u>		<u>Actual Amount</u>	<u>Over (Under) Budget (unaudited)</u>
	<u>Percent</u>	<u>Amount</u>		
Cash receipts – gifts from churches				
Cooperative Program		\$ 29,500,000	\$ 28,629,944	\$ (870,056)
Total cash receipts		<u>\$ 29,500,000</u>	<u>\$ 28,629,944</u>	<u>\$ (870,056)</u>
Cash disbursements				
Grants to other entities				
Southern Baptist Convention	51.00%	\$ 15,045,000	\$ 14,410,231	
The Baptist College of Florida, Inc.	4.48%	1,320,000	1,320,000	
Florida Baptist Children’s Homes, Inc.	3.09%	912,000	912,000	
Lake Yale Baptist Conference Center, Inc.	<u>0.54%</u>	<u>160,000</u>	<u>160,000</u>	
Total cash disbursements	59.11%	17,437,000	16,802,231	
Remaining Cooperative Program cash receipts allocated to support Convention operations				
Florida Baptist Convention State Missions	<u>40.89%</u>	<u>12,063,000</u>	<u>11,827,713</u>	
Total	<u>100.00%</u>	<u>\$ 29,500,000</u>	<u>\$ 28,629,944</u>	

FLORIDA BAPTIST CONVENTION, INC.
 AGENCY FUND
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 For The Year Ended December 31, 2023
 (Unaudited)

SCHEDULE B

<u>Gift Designations</u>	<u>Receipts</u>	<u>Disbursements</u>
North American Missions		
Annie Armstrong	\$ 2,434,951	\$ 2,434,951
Others	193,270	193,270
International Missions		
Lottie Moon	5,382,606	5,382,606
Others	424,485	424,485
Florida		
The Baptist College of Florida, Inc.	32,003	32,003
Florida Baptist Children's Homes, Inc.	469,900	469,900
Florida Baptist Children's Homes – Mother's Day Offering	246,746	246,746
Florida Ethics and Religious Liberty Commission	20,400	20,400
Florida Baptist Associations	25,218	25,218
SBC Cooperative Program Designated	157,026	157,026
SBC Seminaries	8,614	8,614
Other Funds	<u>11,434</u>	<u>11,434</u>
Total	<u>\$ 9,406,653</u>	<u>\$ 9,406,653</u>