

**NATIONAL CHRISTIAN MINISTRY CONVENTION, INC., AND SUBSIDIARY  
INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

**NATIONAL CHRISTIAN MINISTRY CONVENTION, INC., & SUBSIDIARY**

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# HOSKINS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees  
National Christian Missionary Convention, Inc., and Subsidiary  
1099 N. Meridian Street  
Indianapolis, Indiana 46204

We have audited the accompanying financial statements of The National Christian Missionary Convention, Inc., and Subsidiary (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and statement of cash flows for the year then ended, statement of functional expenses and the related notes to the financial statements.

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

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The National Christian Missionary Convention, Inc. and Subsidiary as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited The National Christian Missionary Convention, Inc., and Subsidiary's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hoskins & Company  
Nashville, TN  
July 16, 2019

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND DECEMBER 31, 2017(RESTATED)**

Assets	2018	2017
Current assets		
Cash and cash equivalents	\$ 1,139,369	\$ 843,253
Investments	2,484,390	2,667,798
Accounts receivable, net	239,726	173,780
Burial spaces and other inventory	666,830	666,830
Total current assets	4,530,315	4,351,661
Noncurrent assets		
Property and equipment, net (Note 2)	1,474,286	1,442,291
Total noncurrent assets	1,474,286	1,442,291
<b>Total assets</b>	<b>\$ 6,004,601</b>	<b>\$ 5,793,952</b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 42,809	\$ 47,100
Deferred revenues (Note 3)	319,710	236,715
Current portion of long term debt (Note 4)	59,111	56,515
Total current liabilities	421,630	340,330
Longterm liabilities		
Long term debt (Note 4)	982,748	1,066,754
Total liabilities	1,404,378	1,407,084
Net assets		
Without donor restrictions	4,094,856	3,596,470
With donor restrictions	505,367	790,398
Total net assets	4,600,223	4,386,868
<b>Total liabilities and net assets</b>	<b>\$ 6,004,601</b>	<b>\$ 5,793,952</b>

The accompanying notes are an integral part of these financial statements.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions			With Donor Restrictions	
	Operating	Board Designated	Total	Black Disciples Endowment	Total
<b>Revenues and Support</b>					
Sales	\$ 1,106,967	\$ -	\$ 1,106,967	\$ -	\$ 1,106,967
Opening, closing, and installation fees	490,317	-	490,317	-	490,317
Investment return, net	2,700	-	2,700	(100,630)	(97,930)
Net assets released from restriction	184,401	-	184,401	(184,401)	-
Other income	403	-	403	-	403
Total revenues and support	<u>1,784,788</u>	<u>-</u>	<u>1,784,788</u>	<u>(285,031)</u>	<u>1,499,757</u>
<b>Expenses</b>					
<b>Program Services:</b>					
Program Expenses	884,227	-	884,227	-	884,227
Investment income transferred to National Convocation of the Christian Church	57,848	-	57,848	-	57,848
Total program expenses	<u>942,075</u>	<u>-</u>	<u>942,075</u>	<u>-</u>	<u>942,075</u>
<b>Administrative expenses:</b>					
Operating	344,327	-	344,327	-	344,327
Total expenses	<u>1,286,402</u>	<u>-</u>	<u>1,286,402</u>	<u>-</u>	<u>1,286,402</u>
Change in net assets	498,386	-	498,386	(285,031)	213,355
Net assets at beginning of year	754,730	2,841,740	3,596,470	790,398	4,386,868
Net assets at end of year	<u>\$ 1,253,116</u>	<u>\$ 2,841,740</u>	<u>\$ 4,094,856</u>	<u>\$ 505,367</u>	<u>\$ 4,600,223</u>

The accompanying notes are an integral part of these financial statements.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017 (RESTATED)**

	Without Donor Restrictions			With Donor Restrictions	
	Operating	Board Designated	Total	Black Disciples Endowment	Total
<b>Revenues and Support</b>					
Sales	\$ 1,069,370	\$ -	\$ 1,069,370	\$ -	\$ 1,069,370
Opening, closing, and installation fees	463,980	-	463,980	-	463,980
Investment return, net	160,429	-	160,429	184,401	344,830
Net assets released from restriction	101,088	-	101,088	(101,088)	-
Other income	3,045	-	3,045	-	3,045
Total revenues and support	<u>1,797,912</u>	<u>-</u>	<u>1,797,912</u>	<u>83,313</u>	<u>1,881,225</u>
<b>Expenses</b>					
<b>Program Services:</b>					
Agency deposits disbursed	40,278	-	40,278	-	40,278
Program expenses	1,031,191	-	1,031,191	-	1,031,191
Sale of shares	1,882	-	1,882	-	1,882
Investment income transferred to National Convocation of the Christian Church	51,030	-	51,030	-	51,030
Total program expenses	<u>1,124,381</u>	<u>-</u>	<u>1,124,381</u>	<u>-</u>	<u>1,124,381</u>
<b>Administrative expenses:</b>					
Operating	346,080	-	346,080	-	346,080
Total expenses	<u>1,470,461</u>	<u>-</u>	<u>1,470,461</u>	<u>-</u>	<u>1,470,461</u>
Change in net assets	327,451	-	327,451	83,313	410,764
Net assets at beginning of year	<u>427,279</u>	<u>2,841,740</u>	<u>3,269,019</u>	<u>707,085</u>	<u>3,976,104</u>
Net assets at end of year	<u>\$ 754,730</u>	<u>\$ 2,841,740</u>	<u>\$ 3,596,470</u>	<u>\$ 790,398</u>	<u>\$ 4,386,868</u>

The accompanying notes are an integral part of these financial statements.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017(RESTATED)**

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 213,355	\$ 410,764
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	84,305	82,556
Increase in accounts receivable	(65,946)	(26,012)
(Decrease) increase in accounts payable	(4,291)	16,130
Decrease in agency deposits	-	40,278
Increase in deferred revenue	82,995	64,960
Net cash provided by operating activities	310,418	588,676
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(116,300)	-
Change in investments	183,408	(162,905)
Net cash provided by (used in) investing activities	67,108	(162,905)
<b>Cash flows from financing activities</b>		
Payments on loan	(81,410)	(50,370)
Net cash used in financing activities	(81,410)	(50,370)
Net increase in cash and cash equivalents	296,116	375,401
Cash and cash equivalents, beginning of fiscal year	843,253	467,852
<b>Cash and cash equivalents, end of fiscal year</b>	<b>\$ 1,139,369</b>	<b>\$ 843,253</b>
Interest paid	\$ 51,617	\$ 55,578

The accompanying notes are an integral part of these financial statements.



**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

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**NOTE 1---NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The National Christian Missionary Convention, Inc., and Subsidiary (“the Convention”) is a not-for-profit organization located in Indianapolis, IN, and formed as a 501(c)(3) entity under the Internal Revenue Codes (IRC). The Convention is a unit of the National Convocation of the Christian Church (Disciples of Christ). The Convention holds as one of its continuing responsibilities the stewardship over assets granted to it by the Disciples of Christ. The Convention also provides managerial oversight of its fully owned subsidiary, Greenwood Cemetery Company of Nashville (“the Cemetery”). The Cemetery was established to hold and manage all of the Greenwood Cemetery Properties located in Nashville, Tennessee, and the funds owned and held by the Convention for the daily operation of those properties. The Cemetery is vested with the authority to do all things necessary, or incidental, to the management and operation of the Cemetery in accordance with the provisions of the will of Preston Taylor. The Cemetery’s income is primarily derived from the sale and installation of grave sites, related monuments, and markers.

The accompanying consolidated financial statements include the accounts of the Convention and the Cemetery, which are referred to collectively as (“the Organizations”). There are no significant intercompany accounts and transactions.

Basis of Presentation

The financial statements of the Organizations have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities. The financial statement presentation follows the recommendations of the Financial Accounting Standard Board’s Accounting Standard Codification (FASB ASC 958), financial statements of not-for-profit organizations. Under FASB ASC 958, the Organization is reporting information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets Without Donor Restrictions — Net assets that are not restricted by purpose or time either temporarily or perpetually restricted by explicit donor stipulations or by law.

Operating – Without donor restriction funds used for general operations

Designated – Without donor restriction funds designated by the Board of Trustees for use relating to specified long-term projects with the Cemetery and the general operation of the Disciples of Christ

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

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**NOTE 1—NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net Assets With Donor Restrictions — Net assets that are restricted by purpose or time either temporarily or perpetually by explicit donor stipulations or by law.

At December 31, 2018 and December 31, 2017, the Organizations had \$505,367 and \$790,398 in net assets with donor restrictions respectively.

Income Taxes

The Organizations are operated as a tax-exempt entity as described under Section 501(c)(3) of the Internal Revenue Code and is therefore exempt from Federal and State income taxes. Accordingly, no provisions for income taxes have been recorded.

Support and Revenue

Contributions received from the sale of cemetery lots, monuments, and related items are recognized upon delivery to the customer. Revenue associated with the opening and closing fees are recognized as the related service is provided.

Deferred Revenue

Advance payments to the Cemetery for opening and closing fees are included in deferred revenue. (See Note 3)

Use of Estimates

The financial statements are prepared in conformity with generally accepted accounting principles. Management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual results could differ from those estimates.

Functional Expenses

Management allocates expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts. The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value. Management believes the Organizations are not exposed to any significant credit risk on cash and cash equivalents.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

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**NOTE 1--NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES (continued)**

Accounts Receivable

Accounts Receivable represents amounts due from the sale and installation of grave sites and related monuments and markers. Accounts receivable is stated at the amount billed to customers plus any accrued and unpaid interest. Management estimates an allowance for doubtful accounts receivable based on an evaluation of historical losses, current economic conditions, and other factors unique to the Cemetery's customer base. Trade accounts receivable are ordinarily due 30 days after the issuance of the invoice or arranged at 90 days. Delinquent receivables are written off as bad debt based on individual credit evaluations and specific circumstances of the customer.

The allowance for doubtful accounts at December 31, 2018 and December 31, 2017 was \$14,660.

Burial Spaces and Other Inventory

Unsold burial space is valued at cost, which is not in excess of market, determined using average cost. Other inventory, which includes monuments and markers, is valued at the lower of cost or market, with cost being determined using the specific identification method.

Property and Equipment

The land for the original Cemetery is recorded at a nominal value because the estimated fair market value at the day of bequest or transfer to the Convention is not available.

Items purchased as property and equipment are recorded at cost. Depreciation is recorded on the straight-line method. Estimated useful lives range from 5 to 31.5 years for the individual assets. Repairs, maintenance, and minor replacements are expensed as incurred.

Perpetual Care Net Asset

The Cemetery is not required by the Tennessee state law to maintain a Perpetual Care Fund. However, the Board of Trustees of the Convention has designated certain Cemetery funds to be set aside for the general maintenance of the Cemetery properties

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

**NOTE 2---PROPERTY AND EQUIPMENT**

Depreciation expense as of December 31, 2018, was \$84,305. A summary of the Property and equipment as of December 31, 2018 consist of the following:

Automobiles	\$	112,153
Buildings		195,280
Construction in progress		35,000
Furniture and fixtures		37,055
Ground improvements		330,040
Machinery & equipment		179,408
Mausoleum		1,783,629
Garage and roof		98,800
Less: accumulated depreciation		<u>(1,297,079)</u>
Total		<u>\$ 1,474,286</u>

Depreciation expense as of December 31, 2017, was \$82,556. A summary of the Property and equipment as of December 31, 2017 consist of the following:

Automobiles	\$	94,653
Buildings		195,280
Construction in progress		35,000
Furniture and fixtures		37,055
Ground improvements		330,040
Machinery & equipment		179,408
Mausoleum		1,783,629
Less: accumulated depreciation		<u>(1,212,774)</u>
Total		<u>\$ 1,442,291</u>

**NOTE 3---DEFERRED REVENUE**

Prepaid services were recorded for the purchase of future needed lots, and markers. A list of those revenues are as follows:

	<u>2018</u>	<u>2017</u>
Pre-need opening and closing	\$ 319,010	\$ 236,015
Pre-need markers	700	700
Total deferred revenue	<u>\$ 319,710</u>	<u>\$ 236,715</u>

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

**NOTE 4--LONG TERM DEBT**

The Cemetery entered into a \$1,369,351 mortgage loan agreement on October 20, 2011 with the Board of Church Extension for the construction of a mausoleum at 1428 Elm Hill Pike Nashville, TN 37210. Payments for the loan began on June 1, 2012. The loan matures on June 1, 2032 and has an interest rate that started at 5.5% and changed to 4.5% in July of 2015. The loan is due to change interest rates every three years. The balance as of December 31, 2018 and December 31, 2017 was \$1,041,859 and \$1,123,269 respectively.

The schedule of estimated maturities as of December 31 is as follows:

2019	59,111
2020	61,826
2021	64,667
2022	73,412
2023	77,073
Thereafter	705,770
Total	<u>\$ 1,041,859</u>

The loan agreement prohibits the Cemetery from selling, transferring or encumbering any realty, without the consent of the Board of Church Extension. The Cemetery is also prohibited from entering any indebtedness of any kind, or secured and unsecured capital leases, involving the Cemetery or any of its organizations.

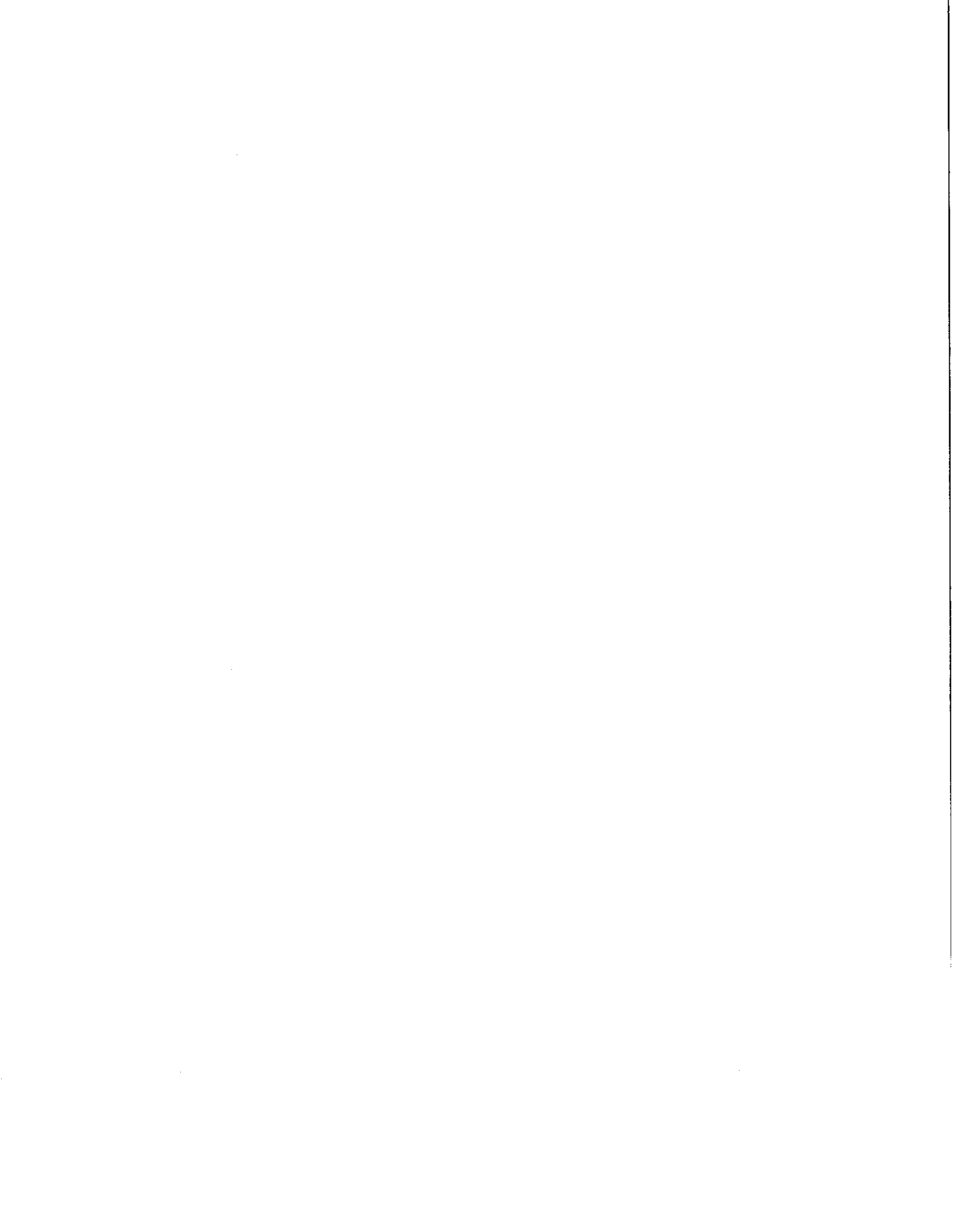
**NOTE 5---INVESTMENTS**

At December 31, 2018, investments consisted of the following accounts:

Money markets and Equity securities	\$ 760,177
Mutual funds	249,166
Investments with related Church organizations:	
Investment certificates - Board of Church Extension	129,822
Pooled investments- Christian Church Foundation, Inc.	<u>1,345,225</u>
Total investment	<u>\$ 2,484,390</u>

The following schedule summarizes the investment returns as of December 31, 2018:

Interest and dividend income	\$ 92,494
Realized and unrealized gains (losses), net	<u>(190,424)</u>
Investment return, net	<u>\$ (97,930)</u>



**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

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**NOTE 6 --ENDOWMENT (CONTINUED)**

(a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations are added to the fund.

Donor-restricted endowment funds are classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the Convention in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Convention considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Return Objectives and Risk Parameters

The convention has adopted investment and spending policies for assets held for endowment that attempt to provide a predictable stream of funding to programs supported by its endowment assets while seeking to maintain the fair value of the endowment assets. Assets held for endowment include both board-designated and donor-restricted funds. Under its investment policy, as approved by the Board of Trustees, the Convention invests funds in such a way as to obtain maximum return consistent with minimal risk of the corpus.

Spending rates and expected rates of return are approved by the Board of Trustees, at the recommendation of a board-appointed investment committee, based on the needs of the Convention pursuant to the funds' designated purposes. Also under this policy, and as approved by the Board of Trustees, the assets are invested in a manner that is intended to produce funds for ministry and preserve the value of the invested funds, and allows a spending rate of 4-5% of average fund value. The Convention expects its assets held, over time, to provide an average rate of approximately 7.8% to 9.2% annually.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Board of Trustees, at the recommendation of the Investment Committee, invests its board designated funds in a full range of cash equivalents, equities, bonds, treasury notes and other government agencies or real estate, based on prevailing market conditions. With respect to its donor-restricted funds, the investments are placed with a related Church organization (Christian Church Funds). The Convention targets diversified asset allocations, each of which places a greater emphasis on equity based investments to achieve its long-term return objectives within prudent risk constraints.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

**NOTE 6 ---ENDOWMENT (CONTINUED)**

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Convention's Investment Committee meets at least bi-annually to review investment policies, the investment portfolio, current economic conditions, and other matters of concern that are referred to the

Committee by the Board of Trustees. In establishing such policies, the Organization considers the long-term expected return on its assets held for endowment.

The composition of the endowment net assets for the year ended December 31, 2018 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Board Designated	\$2,841,740	\$ -	\$2,841,740
Donor restricted	-	505,367	505,367
	<u>\$2,841,740</u>	<u>\$ 505,367</u>	<u>\$3,347,107</u>

The composition of the endowment net assets for the year ended December 31, 2017 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Board Designated	\$2,841,740	\$ -	\$2,841,740
Donor restricted	-	790,398	790,398
	<u>\$2,841,740</u>	<u>\$ 790,398</u>	<u>\$3,632,138</u>

**NOTE 7 ---FAIR VALUE**

The Convention follows the standards required by FASB ASC 820-10-50, Fair Value Measurements and Disclosure, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, this standard sets forth the definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities, while the lowest priority is given to unobservable value inputs. FASB ASC 820-10-50 applies to all financial instruments that are being measured and reported at fair value basis on a recurring basis.

This standard defines levels within the hierarchy of inputs as follows:

- Level 1 – Unadjusted quoted prices for identical assets and liabilities in active markets
- Level 2 – Quoted prices for familiar assets and liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable



**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

**NOTE 7 ---FAIR VALUE (CONTINUED)**

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs, and minimize the use of unobservable inputs.

Level 1 and Level 2 funds are valued at the closing price reported on the active market in which the funds are valued. Investments with related church organizations are reported at fair value provided by the related church organizations.

The methods mentioned may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, although the Convention believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies, or assumptions to determine the fair value of certain financial instruments, could result in different fair value measurements at the reporting date.

The following table sets forth financial assets measured at fair value in the statement of financial position, and the respective levels to which the fair value measurements are classified within the fair value hierarchy at December 31, 2018 and December 31, 2017:

	Carrying Amount at December 31, 2018	(Level 1)	(Level 2)
Money markets and Equity securities	\$ 760,177	\$ 760,177	\$ -
Mutual funds	249,166	249,166	-
Investment with related Church organizations:			
Pooled investments	1,345,225	-	1,345,225
Investment certificates	129,822	129,822	-
<b>Total</b>	<b>\$ 2,484,390</b>	<b>\$ 1,139,165</b>	<b>\$ 1,345,225</b>

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC., AND SUBSIDIARY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

**NOTE 7 --FAIR VALUE (CONTINUED)**

	Carrying Amount at December 31, 2017	(Level 1)	(Level 2)
Money markets and Equity securities	\$ 923,276	\$ 923,276	\$ -
Mutual funds	247,234	247,234	-
Investment with related Church organizations:			
Pooled investments	1,367,466	-	1,367,466
Investment certificates	129,822	129,822	-
<b>Total</b>	<u>\$ 2,667,798</u>	<u>\$ 1,300,332</u>	<u>\$ 1,367,466</u>

**NOTE 8---PENSION PLANS**

Contributions to the Pension Fund of the Organizations are funded annually. As of December 31, 2018, and December 31, 2017 pension expense was \$12,940 and \$12,775 respectively.

**NOTE 9---RELATED PARTY TRANSACTIONS**

In 1993, the Board of Trustees of the Convention directed that the interest earned on the investments of the Taylor-Davis Estate Fund be sent directly to the National Convocation of the Christian Church (Disciples of Christ) (NCCC), a related church organization, for operating purposes. The amount of the transfer during the year ended as of December 31, 2018 and December 31, 2017 was \$57,848 and \$51,030 respectively, and is reported as "Investment income transferred to National Convocation of the Christian Church" in the Consolidated Statement of Activities.

**NOTE 10---PRIOR PERIOD ADJUSTMENT**

There was a prior period adjustment in the amount of \$40,278 to report the release of Agency Deposits from the Convention to the National Convocation of the Christian Church (Disciples of Christ) (NCCC). There was also an adjustment for investment funds received in the amount of \$1,788 that were recorded.

**NOTE 11---SUBSEQUENT EVENTS**

There were no subsequent events requiring disclosure as of July 16, 2019, the date management evaluated such events. July 16, 2019 is the date the financial statements were available to be issued.

**GREENWOOD CEMETERY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND DECEMBER 31, 2017**

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,139,369	\$ 843,253
Investments	1,013,794	1,038,724
Accounts receivable, net	239,726	173,780
Burial spaces and other inventory	666,830	666,830
Total current assets	3,059,719	2,722,587
Noncurrent assets		
Property and equipment, net (Note 2)	1,474,286	1,442,291
Total noncurrent assets	1,474,286	1,442,291
<b>Total assets</b>	<b>\$ 4,534,005</b>	<b>\$ 4,164,878</b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 42,809	\$ 47,100
Current portion of long term debt (Note 4)	59,111	56,515
Deferred revenues (Note 3)	319,710	236,715
Total current liabilities	421,630	340,330
Longterm liabilities		
Long term debt (Note 4)	982,748	1,066,754
Total liabilities	1,404,378	1,407,084
Net assets		
Without donor restrictions	3,129,627	2,757,794
Total net assets	3,129,627	2,757,794
<b>Total liabilities and net assets</b>	<b>\$ 4,534,005</b>	<b>\$ 4,164,878</b>

The accompanying notes are an integral part of these financial statements.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

	2018	2017
<b>Assets</b>		
Current assets		
Investments	\$ 1,470,596	\$ 1,629,074
Total current assets	1,470,596	1,629,074
<b>Total assets</b>	\$ 1,470,596	\$ 1,629,074
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts Payable	\$ -	\$ -
Total liabilities	-	-
Net assets		
Without donor restrictions	965,229	838,676
With donor restrictions	505,367	790,398
Total net assets	1,470,596	1,629,074
<b>Total liabilities and net assets</b>	\$ 1,470,596	\$ 1,629,074

The accompanying notes are an integral part of these financial statements.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>Board Designated Endowment</u>	<u>Donor Restricted - Black Disciples Endowment</u>	<u>Total</u>
<b>Revenues and Support</b>				
Investment return, net	\$ -	\$ -	\$ (100,630)	\$ (100,630)
Net assets released from restriction	184,401	-	(184,401)	-
Total revenues and support	<u>184,401</u>	<u>-</u>	<u>(285,031)</u>	<u>(100,630)</u>
<b>Expenses</b>				
Program Services:				
Investment income transferred to National Convocation of the Christian Church	57,848	-	-	57,848
Total expenses	<u>57,848</u>	<u>-</u>	<u>-</u>	<u>57,848</u>
Change in net assets	126,553	-	(285,031)	(158,478)
Net assets at beginning of year	(24,900)	863,576	790,398	1,629,074
Net assets at end of year	<u>\$ 101,653</u>	<u>\$ 863,576</u>	<u>\$ 505,367</u>	<u>\$ 1,470,596</u>

The accompanying notes are an integral part of these financial statements.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017 (RESTATED)**

	Without Donor Restrictions	Board Designated Endowment	Donor Restricted - Black Disciples Endowment	Total
<b>Revenues and Support</b>				
Investment return, net	\$ -	\$ -	\$ 184,401	\$ 184,401
Net assets released from restriction	101,088	-	(101,088)	-
Total revenues and support	<u>101,088</u>	<u>-</u>	<u>83,313</u>	<u>184,401</u>
<b>Expenses</b>				
Program Services:				
Investment income transferred to National				
Convocation of the Christian Church	51,030	-	-	51,030
Agency deposit disbursements	40,278	-	-	40,278
Sale of shares	1,882	-	-	1,882
Total expenses	<u>93,190</u>	<u>-</u>	<u>-</u>	<u>93,190</u>
Change in net assets	7,898	-	83,313	91,211
Net assets at beginning of year	(32,798)	863,576	707,085	1,537,863
Net assets at end of year	<u>\$ (24,900)</u>	<u>\$ 863,576</u>	<u>\$ 790,398</u>	<u>\$ 1,629,074</u>

The accompanying notes are an integral part of these financial statements.

**GREENWOOD CEMETERY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>Board Designated Endowment</u>	<u>Total</u>
<b>Revenues and Support</b>			
Sales	\$ 1,106,967	\$ -	\$ 1,106,967
Opening, closing, and installation fees	490,317	-	490,317
Investment return, net	2,700	-	2,700
Other income	403	-	403
Total revenues and support	<u>1,600,387</u>	<u>-</u>	<u>1,600,387</u>
<b>Expenses</b>			
Administrative expenses:			
Operating	<u>344,327</u>	<u>-</u>	<u>344,327</u>
Program Services:			
Program expenses	<u>884,227</u>	<u>-</u>	<u>884,227</u>
Total expenses	<u>1,228,554</u>	<u>-</u>	<u>1,228,554</u>
Change in net assets	371,833	-	371,833
Net assets at beginning of year	<u>779,630</u>	<u>1,978,164</u>	<u>2,757,794</u>
Net assets at end of year	<u>\$ 1,151,463</u>	<u>\$ 1,978,164</u>	<u>\$ 3,129,627</u>

The accompanying notes are an integral part of these financial statements.

**GREENWOOD CEMETERY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Without Donor Restrictions</u>	<u>Board Designated Endowment</u>	<u>Total</u>
<b>Revenues and Support</b>			
Sales	\$ 1,069,370		\$ 1,069,370
Opening, closing, and installation fees	463,980	-	463,980
Investment return, net	160,429	-	160,429
Other income	3,045	-	3,045
Total revenues and support	<u>1,696,824</u>	<u>-</u>	<u>1,696,824</u>
<b>Expenses</b>			
Administrative expenses:			
Operating	<u>346,080</u>	<u>-</u>	<u>346,080</u>
Program Services:			
Program expenses	<u>1,031,191</u>	<u>-</u>	<u>1,031,191</u>
Total expenses	<u>1,377,271</u>	<u>-</u>	<u>1,377,271</u>
Change in net assets	319,553	-	319,553
Net assets at beginning of year	<u>460,077</u>	<u>1,978,164</u>	<u>2,438,241</u>
Net assets at end of year	<u>\$ 779,630</u>	<u>\$ 1,978,164</u>	<u>\$ 2,757,794</u>

The accompanying notes are an integral part of these financial statements.



**GREENWOOD CEMETERY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017**

	Program Expenses	Administrative Expenses	2018 Total	2017 Total
Accounting	\$ -	\$ 17,488	\$ 17,488	\$ 14,989
Cost of sales	123,106	52,760	175,866	183,506
Depreciation	67,444	16,861	84,305	82,556
Equipment	7,896	3,384	11,280	43,732
Freight	5,214	-	5,214	6,955
Insurance	26,783	11,478	38,261	30,855
Investment fees	-	16,705	16,705	17,723
Occupancy	68,853	17,213	86,066	81,478
Office expense	14,069	6,029	20,098	30,377
Other	1,814	777	2,591	2,852
Payroll taxes	29,579	12,677	42,256	38,109
Pension expense	9,058	3,882	12,940	12,775
Professional fees	-	8,678	8,678	7,961
Public relations	22,416	9,607	32,023	31,243
Salaries	384,269	164,687	548,956	533,692
Shop and grounds	100,896	-	100,896	219,352
Travel	18,909	2,101	21,010	34,984
Uniforms	3,921	-	3,921	4,132
<b>Total Expenses</b>	<b>\$ 884,227</b>	<b>\$ 344,327</b>	<b>\$ 1,228,554</b>	<b>\$ 1,377,271</b>

The accompanying notes are an integral part of these financial statements.

**GREENWOOD CEMETERY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017**

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 371,833	\$ 319,553
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	84,305	82,556
Increase in accounts receivable	(65,946)	(26,012)
(Decrease) increase in accounts payable	(4,291)	16,130
Increase in deferred revenue	82,995	64,960
Net cash provided by operating activities	468,896	457,187
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(116,300)	-
Change in investments	24,930	(31,416)
Net cash used in investing activities	(91,370)	(31,416)
<b>Cash flows from financing activities</b>		
Payments for loan	(81,410)	(50,370)
Net cash used in financing activities	(81,410)	(50,370)
Net change in cash and cash equivalents	296,116	375,401
Cash and cash equivalents, beginning of fiscal year	843,253	467,852
<b>Cash and cash equivalents, end of fiscal year</b>	<b>\$ 1,139,369</b>	<b>\$ 843,253</b>
Interest paid	\$ 51,617	\$ 55,578

The accompanying notes are an integral part of these financial statements.

**NATIONAL CHRISTIAN MISSIONARY CONVENTION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017 (RESTATED)**

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
(Decrease) Increase in net assets	\$ (158,478)	\$ 91,211
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Decrease in agency deposits	-	40,278
Net cash (used in) provided by operating activities	(158,478)	131,489
<b>Cash flows from investing activities</b>		
Change in investments	158,478	(131,489)
Net cash provided by (used in) investing activities	158,478	(131,489)
<b>Cash flows from financing activities</b>		
Net cash used in financing activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of fiscal year	-	-
<b>Cash and cash equivalents, end of fiscal year</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.