

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEARS ENDED**

DECEMBER 31, 2020 AND DECEMBER 31, 2019

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)**

Table of Contents

	Page
INDEPENDENT AUDITORS' REPORT.....	1-2
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF ACTIVITIES.....	4
STATEMENT OF FUNCTIONAL EXPENSES.....	5
STATEMENT OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS.....	7-12



INDEPENDENT AUDITORS' REPORT

To The Board of Trustees
National Convocation of the Christian Church (Disciples of Christ)
1099 N. Meridian Street
Indianapolis, Indiana 46204

Opinion

We have audited the accompanying financial statements of National Convocation of the Christian Church (Disciples of Christ). (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 National Convocation of the Christian Church (Disciples of Christ). as of December 31, 2020, 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.

Basis for Opinion

We conducted our audit 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 National Convocation of the Christian Church (Disciples of Christ) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

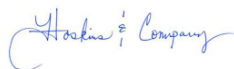
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 National Convocation of the Christian Church (Disciples of Christ)'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 the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Convocation of the Christian Church (Disciples of Christ)'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited The National Convocation of the Christian Church's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Hoskins & Company
Nashville, TN
November 30, 2022

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND DECEMBER 31, 2019**

Assets	2020	2019
Current assets		
Cash and cash equivalents	\$ 365,922	\$ 323,554
Investments (Note 2)	66,274	59,813
Accounts receivable	-	-
	<u> </u>	<u> </u>
Total assets	\$ 432,196	\$ 383,367
	<u> </u>	<u> </u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ -	\$ -
Total current liabilities	-	-
	<u> </u>	<u> </u>
Total liabilities	-	-
	<u> </u>	<u> </u>
Net assets		
Without donor restrictions (Note 4)	432,196	383,367
	<u> </u>	<u> </u>
Total liabilities and net assets	\$ 432,196	\$ 383,367
	<u> </u>	<u> </u>

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

**NATIONAL CONVOCAION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

Revenue and support	<u>2020</u>	<u>2019</u>
Contributions	46,367	\$ 52,061
Investment return, net	45,720	9,559
National Christian Missionary Convention, Inc. investment income transfers	24,733	61,654
Biennial session/ assemblies		25
Fellowship funds	<u>342</u>	<u>118</u>
Total revenue and support	<u>117,162</u>	<u>123,417</u>
Expenses		
BDEF	16,471	16,044
Biennial session	-	14,217
Investment return, net	-	-
General and admin	<u>51,885</u>	<u>57,822</u>
Total expenses	<u>68,356</u>	<u>88,083</u>
Increase in net assets	48,806	35,334
Net assets without donor restriction, beginning of year	383,367	348,033
Transfer	23	-
Net assets without donor restriction, end of year	<u>\$ 432,196</u>	<u>\$ 383,367</u>

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

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

	2020	2019
Cash flows from operating activities		
Increase in net assets	\$ 48,806	\$ 35,334
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized investment (gain)	(5,726)	(7,483)
Decrease in accounts receivable	-	8,394
Decrease in accounts payable	-	(5,870)
Net cash provided by operating activities	<u>43,080</u>	<u>30,375</u>
Cash flows from investing activities		
Purchase of investments	(713)	(2,076)
Net cash used in investment activities	<u>(713)</u>	<u>(2,076)</u>
Cash flows from financing activities		
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	42,367	28,299
Cash and cash equivalents, beginning of year	<u>323,554</u>	<u>295,255</u>
Cash and cash equivalents, end of year	<u><u>\$ 365,921</u></u>	<u><u>\$ 323,554</u></u>

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

NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

	General and Admin	Biennial Session	BDEF	2020 Total	2019 Total
Accounting Services	\$ 1,262	\$ -	\$ -	\$ 1,262	\$ 960
Admin Secretary Trans	3,351	-	-	3,351	8,693
Advertising/ Promotional	1,000	-	-	1,000	775
AV Equipment Sound/Light	-	-	-	-	-
Awards	-	-	-	-	-
Bank Service Charges	29	-	-	29	-
BDEF - Other	-	-	-	-	-
BDEF Grant	-	-	5,000	5,000	9,040
BDEF Lodging & Meals	-	-	275	275	4,113
BDEF Travel	-	-	11,196	11,196	2,891
Board Lodging	33	-	-	33	79
Board Meals	3,937	-	-	3,937	-
Board of Trustee Trans	2,671	-	-	2,671	4,731
Board of Trustees Meetings	6,788	-	-	6,788	1,770
Clergy Women's Fellowship	1,225	-	-	1,225	-
Continued Education for Clergy	5,065	-	-	5,065	5,492
Convention Center Hotel	181	-	-	181	-
Convocation President's Travel	78	-	-	78	680
Convocation Vice President's Travel	832	-	-	832	1,007
Credit Card Processing Fee	-	-	-	-	-
CWF Other Expenses.	-	-	-	-	1,235
Evaluation	4,003	-	-	4,003	3,686
Executive Committee Bd Mtg.	-	-	-	-	-
Executive Committee Meeting	-	-	-	-	-
Executive Committee Travel	4,936	-	-	4,936	440
Exhibit Company	-	-	-	-	-
General Assembly Booth and Promo	-	-	-	-	2,997
Historical Project	-	-	-	-	-
Honorariums	-	-	-	-	300
LAC Admin Sec Expenses	-	-	-	-	456
LAC Chair Expense	-	-	-	-	-
LAC Operations Expense	-	-	-	-	12,885
Legal Fees	20	-	-	20	41
Local Arrang Comm Dinner	-	-	-	-	-
Media & Marketing & Web Page	1,210	-	-	1,210	-
Media/Marketing & Web Page	-	-	-	-	250
Merchant Fund Expenses	-	-	-	-	11,442
Minister's Wives & Husband's F/S Exp	-	-	-	-	1,000
Miscellaneous	1,909	-	-	1,909	87
Mobile Phone	544	-	-	544	1,000
Music Leadership/Material	-	-	-	-	-
Nat'l Con Computer Supply	-	-	-	-	160
Nat'l Con Subscrip/dues	37	-	-	37	290
Nat'l Convo Misc. Expense	5,476	-	-	5,476	4,194
Nat'l Convo Ofc. Supplies	18	-	-	18	58
Nat'l Convocation Phone	284	-	-	284	145
Nat'l Convocation Postage	-	-	-	-	151
Office Supplies	39	-	-	39	-
Opening Worship Offering	-	-	-	-	-
Postage	-	-	-	-	-
Program Book Art Design	-	-	-	-	-
Program Book Printing	-	-	-	-	-
Promotional Materials	-	-	-	-	-
Registration & Favors	1,252	-	-	1,252	576
Speakers Travel	-	-	-	-	-
Star Supporter Fund Contributions	5,500	-	-	5,500	-
Treasury Services	-	-	-	-	6,142
Website Management	-	-	-	-	90
Year Book & Docket	205	-	-	205	206
Total	\$ 51,885	\$ -	\$ 16,471	\$ 68,356	\$ 88,062

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

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

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

The National Convocation of the Christian Church (the “Convocation”) operates as the Office of the General Minister and President of the Christian Church (Disciples of Christ) (OGMP). The activities of the Convocation are carried out by employees of OGMP, who utilize equipment and the office space of OGMP. No personnel costs, equipment usage or rent is allocated to the Convocation. Although the primary goal of the Disciples of Christ is to help assure the full empowerment of the Black Disciples of Christ as persons in the church and in the community, its long-range goal is to strengthen the efforts of Christian people everywhere to enable the dispossessed to achieve full human reconciliation and liberation in the spirit of Jesus, the Christ.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and accordingly revenue is recognized when earned, support and promises to give are recognized when received and expenses are recorded when incurred.

The financial statements 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 Church is required to report 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.

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.

As of December 31, 2020 and December 31, 2019, the Convocation had no net assets with donor restrictions.

Income Taxes

The Disciples of Christ is 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.

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

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

Support and Revenue (including amounts classified as “Due from the National Christian Missionary Convention (NCMC)”)

Contributions received consist of amounts that were classified as unconditionally promised to the Convocation. Unconditional promises to give are recorded as received in writing. Unconditional promises to give due in the next year are reflected as current promises to give and recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using interest rates estimated to be applicable to the years in which the promises are received to discount the amounts.

Investments

Investments, which include certificates held by the Board of Church Extension as well as pooled investments held by the Christian Church Foundation Inc., and related church organizations, are reported on the Statement of Financial Position at fair value. The fair value of investments is provided to the Convocation by the related church organizations (See note 2)

Changes in the unrealized appreciation or depreciation of those investments are reflected in the Statement of Activities as investment returns in the period such change occurs.

Agency Deposits

The Convocation entered into an agreement with a third party organization, NCMC, to receive, invest, and manage their contributed funds. In accordance with ASC 958-605-25-24, the Convocation reports a liability for this money since the NCMC has the unilateral right to withdraw or otherwise redirect the use of those funds. There is no effect on the change in net assets of the Disciples of Christ.

Investment Income Transferred from NCMC

Investment income received from NCMC investments is transferred to the Convocation for operating purposes.

Biennial Session/Assemblies

It is the practice of the Convocation to hold a biennial session every two years. In the intervening year, a general assembly is held. All related income and expenses are reported in the year of the program, and as deferred revenue or prepaid expenses as applicable in the year preceding the respective event.

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.

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

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

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 Convocation is not exposed to any significant credit risk on cash and cash equivalents.

Functional Expenses

Management allocates expenses among its various functional areas according to the purpose or function for which they are incurred. Expenses that are identifiable with a specific program are assigned directly to the specific program by natural expenditure classification. Other expenses that are common to several programs and supporting activities are allocated based on objective, reasonable, rational and systematic established methodology.

NOTE 2---INVESTMENTS

The Disciples of Christ report investments under FASB ASC 820-10-50, Fair Value Measurements and Disclosure, which provides a comprehensive framework for measuring fair value and expounds upon required disclosures concerning fair value measurements. Specifically, this standard sets forth a 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. 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 the fair value basis on a recurring basis.

FASB ASC 820-10-50 defines the appropriate levels as follows:

- Level 1 – Unadjusted quoted prices for identical assets and liabilities in active markets that the Convocation has the ability to access
- Level 2 – Quoted prices for similar 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 input or significant value driver are unobservable

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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

NOTE 2---INVESTMENTS (CONTINUED)

Investments with related church organizations are reported at fair value. This method has the ability to produce a fair value calculation that may, or may not, be indicative of the net realizable value or reflective of future fair values. Although the Convocation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair values 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 as of December 31, 2020 and December 31, 2019:

	Carrying Value at December 31, 2020	Level 2	Level 3
Investment certificates	\$66,274	\$66,274	\$-
	\$66,274	\$66,274	\$ -

	Carrying Value at December 31, 2019	Level 2	Level 3
Investment certificates	\$59,813	\$59,813	\$-
	\$59,813	\$59,813	\$ -

The following table summarizes the return on cash and investments during the years ended December 31, 2020 and December 31, 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 2,174	\$ 2,076
Unrealized gain (loss)	5,726	7,483
Total	\$ 7,900	\$ 9,559

NOTE 3---CONCENTRATION OF REVENUES

The Convocation receives a considerable portion of its revenues and support from investments, contributions for General Assemblies, and Biennial Sessions from churches and individuals. A significant decrease in this support could have an adverse impact on the Convocation's operations.

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

NOTE 4---FELLOWSHIP FUNDS

Fellowship Funds include the following at December 31, 2020 and December 31, 2019:

	Christian Women Fellowship Fund	National Ministers Fellowship Fund	Minister Spouses Fellowship Fund	Christian Men Fellowship Fund	Youth Fellowship Fund	Total
Net assets, beginning of year (2020)	\$ 3,170	\$ 561	\$ 13,752	\$ -	\$ 2,394	\$ 19,877
Support	169	-	174	-	-	343
Expenses	-	-	-	-	-	-
Net assets, end of year (2020)	<u>\$ 3,339</u>	<u>\$ 561</u>	<u>\$ 13,926</u>	<u>\$ -</u>	<u>\$ 2,394</u>	<u>\$ 20,220</u>

	Christian Women Fellowship Fund	National Ministers Fellowship Fund	Minister Spouses Fellowship Fund	Christian Men Fellowship Fund	Youth Fellowship Fund	Total
Net assets, beginning of year (2019)	\$ 3,170	\$ 561	\$ 13,752	\$ (496)	\$ 2,394	\$ 19,381
Support	-	-	-	496	-	496
Expenses	-	-	-	-	-	-
Net assets, end of year (2019)	<u>\$ 3,170</u>	<u>\$ 561</u>	<u>\$ 13,752</u>	<u>\$ -</u>	<u>\$ 2,394</u>	<u>\$ 19,877</u>

This balance is included in the Net Assets Without Donor Restrictions. The total net assets balance as of December 31, 2020 and December 31, 2019 was \$432,196 and \$383,367 respectively.

NOTE 5---RELATED PARTY TRANSACTIONS

The National Christian Missionary Convention, Inc., (NCMC) is a separate, but related entity of the Convocation. The Board of Trustees of NCMC has decided to transfer investment income to the Convocation to support the general operations of the Convocation. Investment income earned directly from NCMC's investments which was transferred to the Convocation during the years ended December 31, 2020 and December 31, 2019 was \$28,765 and \$61,654 respectively, and is reported as "National Christian Missionary Convention, Inc., investment income transfers" on the Statement of Activities.

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019**

NOTE 5---RELATED PARTY TRANSACTIONS (CONTINUED)

Disciples Mission Fund

The Disciples Mission Fund (DMF) is a common mission fund of the Christian Church (Disciples of Christ) supported by local congregations and various church groups. DMF is the common receipt and distribution system, funding 90 ministries of the church. Since 2006, the Convocation has been receiving distributions from DMF for use as deemed appropriate by the Convocation. These distributions have been made in equal proportions to North American Pacific Asian Disciples and the Central Pastoral Office for Hispanic Ministries, the racial ethnic ministries of the Christian Church (Disciples of Christ). Total support received by the Convocation, which is included in the contributions revenue, from DMF for the years ended December 31, 2020 and December 31, 2019 was \$28,832 and \$33,325 respectively.

NOTE 6---LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of statement of financial position date was \$365,922. There were no donor imposed restrictions.

NOTE 7---CONCENTRATION OF CREDIT RISK

The Organization maintains accounts at an institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at the December 31, 2020 and December 31, 2019 exceeded federally insured limits by \$115,922 and \$73,554 respectively.

NOTE 8---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of November 30, 2022, the date management evaluated such events. November 30, 2022 is the date the financial statements were available to be issued.