

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

DECEMBER 31, 2019 AND DECEMBER 31, 2018

FOR PRELIMINARY DISCUSSION ONLY

HOSKINS & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The National Convocation of the Christian Church (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, statement of cash flows and statement of functional expenses for the year then ended, 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 Convocation of the Christian Church as of December 31, 2019, 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 Convocation of the Christian Church's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hoskins & Company
Nashville, TN
August 12, 2020

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND DECEMBER 31, 2018**

Assets	2019	2018
Current assets		
Cash and cash equivalents	\$ 323,554	\$ 295,255
Investments (Note 2)	59,813	50,254
Accounts receivable	-	8,394
	<u> </u>	<u> </u>
Total assets	<u>\$ 383,367</u>	<u>\$ 353,903</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 7,809	\$ 5,870
Total current liabilities	7,809	5,870
	<u> </u>	<u> </u>
Total liabilities	7,809	5,870
	<u> </u>	<u> </u>
Net assets		
Without donor restrictions (Note 4)	375,558	348,033
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 383,367</u>	<u>\$ 353,903</u>

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

**NATIONAL CONVOCATION OF THE CHRISTIAN CHURCH
(DISCIPLES OF CHRIST)
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND DECEMBER 31, 2018**

Revenue and support	<u>2019</u>	<u>2018</u>
Contributions	\$ 52,061	\$ 86,560
Investment return,net	9,559	-
National Christian Missionary Convention, Inc. investment income transfers	61,654	57,848
Biennial session/ assemblies	25	156,910
Fellowship funds	118	1,526
	<u>123,417</u>	<u>302,844</u>
Total revenue and support		
Expenses		
BDEF	16,044	17,590
Biennial session	14,217	139,754
Investment return,net	-	3,561
General and admin	65,631	98,002
	<u>95,892</u>	<u>258,907</u>
Total expenses		
Increase in net assets	27,525	43,937
Net assets without donor restriction, beginning of year	348,033	307,883
Transfer of investments - Minister's wives	-	(3,787)
Net assets without donor restriction, end of year	<u>\$ 375,558</u>	<u>\$ 348,033</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, 2019 AND DECEMBER 31, 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Increase in net assets	\$ 27,525	\$ 43,937
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Unrealized investment (gain)loss	(7,483)	5,631
Decrease (increase) in accounts receivable	8,394	(8,394)
(Decrease) increase in accounts payable	1,939	5,870
Net cash provided by operating activities	<u>30,375</u>	<u>47,044</u>
Cash flows from investing activities		
Change in investment value	<u>(2,076)</u>	<u>(2,034)</u>
Net cash used in investment activities	<u>(2,076)</u>	<u>(2,034)</u>
Cash flows from financing activities		
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	28,299	45,010
Cash and cash equivalents, beginning of year	<u>295,255</u>	<u>250,245</u>
Cash and cash equivalents, end of year	<u>\$ 323,554</u>	<u>\$ 295,255</u>

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