



RELIANT MISSION, INC.

Financial Statements
With Independent Auditors' Report

December 31, 2020 and 2019

RELIANT MISSION, INC.

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INDEPENDENT AUDITORS' REPORT

Audit Committee
Reliant Mission, Inc.
Orlando, Florida

We have audited the accompanying financial statements of Reliant Mission, Inc. (an Ohio nonprofit corporation), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

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

Audit Committee
Reliant Mission, Inc.
Orlando, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reliant Mission, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Lawrenceville, Georgia
May 3, 2021

RELIANT MISSION, INC.

Statements of Financial Position

	December 31,	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 7,020,696	\$ 4,970,012
Prepaid expenses and other assets	413,427	459,417
Investments	8,108,831	6,630,133
Operating lease right-of-use asset	252,682	408,693
Finance lease right-of-use assets	21,601	34,373
Property and equipment—net	438,127	476,610
	<u> </u>	<u> </u>
Total Assets	<u>\$ 16,255,364</u>	<u>\$ 12,979,238</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,274,158	\$ 3,081,715
Operating lease liability	258,682	411,193
Finance lease liabilities	22,935	35,391
	<u>3,555,775</u>	<u>3,528,299</u>
Net assets:		
Without donor restrictions	3,035,116	2,160,328
With donor restrictions	9,664,473	7,290,611
	<u>12,699,589</u>	<u>9,450,939</u>
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 16,255,364</u>	<u>\$ 12,979,238</u>

See notes to financial statements

RELIANT MISSION, INC.

Statements of Activities

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Support:						
Contributions	\$ 19,945	\$ 42,495,103	\$ 42,515,048	\$ 34,996	\$ 36,750,267	\$ 36,785,263
Revenue:						
Conferences and programs	192,772	-	192,772	373,783	-	373,783
Investment income	244,203	-	244,203	389,841	-	389,841
Other income	26,258	-	26,258	23,431	-	23,431
	463,233	-	463,233	787,055	-	787,055
Total Support and Revenue	483,178	42,495,103	42,978,281	822,051	36,750,267	37,572,318
RECLASSIFICATIONS:						
Net assets released from:						
Satisfaction of purpose restrictions	40,121,241	(40,121,241)	-	35,315,990	(35,315,990)	-

(continued)

See notes to financial statements

RELIANT MISSION, INC.

Statements of Activities (continued)

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES:						
Program services:						
U.S. Ministries	23,307,968	-	23,307,968	20,544,669	-	20,544,669
Ministry team development	1,515,610	-	1,515,610	1,341,651	-	1,341,651
Conferences and events	113,447	-	113,447	626,759	-	626,759
International ministries	6,498,136	-	6,498,136	5,140,710	-	5,140,710
	31,435,161	-	31,435,161	27,653,789	-	27,653,789
Supporting activities:						
Management and general	4,742,041	-	4,742,041	4,535,270	-	4,535,270
Fundraising	3,552,429	-	3,552,429	3,369,296	-	3,369,296
	8,294,470	-	8,294,470	7,904,566	-	7,904,566
Total Expenses	39,729,631	-	39,729,631	35,558,355	-	35,558,355
Change in Net Assets	874,788	2,373,862	3,248,650	579,686	1,434,277	2,013,963
Net Assets, Beginning of Year	2,160,328	7,290,611	9,450,939	1,580,642	5,856,334	7,436,976
Net Assets, End of Year	\$ 3,035,116	\$ 9,664,473	\$ 12,699,589	\$ 2,160,328	\$ 7,290,611	\$ 9,450,939

See notes to financial statements

RELIANT MISSION, INC.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services				Supporting Activities				Total Expenses
	U.S. Ministries	Ministry Team Development	Conferences and Events	International Ministries	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
Salaries and parsonage	\$ 18,766,503	\$ 1,189,094	\$ -	\$ 4,365,457	\$ 24,321,054	\$ 2,867,219	\$ 2,803,683	\$ 5,670,902	\$ 29,991,956
Payroll taxes and employee benefits	3,514,865	239,207	-	850,226	4,604,298	655,695	586,973	1,242,668	5,846,966
	22,281,368	1,428,301	-	5,215,683	28,925,352	3,522,914	3,390,656	6,913,570	35,838,922
Travel and meals	177,306	17,497	44,750	362,551	602,104	66,002	52,052	118,054	720,158
Occupancy	15,675	6,000	4,000	6,138	31,813	147,405	1,448	148,853	180,666
Insurance	66,274	3,222	5,372	5,073	79,941	48,540	-	48,540	128,481
Depreciation and amortization	21,133	12,617	9,147	6,939	49,836	221,756	-	221,756	271,592
Professional fees	64,128	1,050	8,045	18,904	92,127	293,651	3,149	296,800	388,927
Telephone	1,318	86	258	681	2,343	499	259	758	3,101
Postage and shipping	27,686	1,207	1,357	8,543	38,793	41,546	3,550	45,096	83,889
Office supplies	15,879	962	572	6,447	23,860	21,267	2,661	23,928	47,788
Training, dues, and subscriptions	253,622	19,619	1,781	199,898	474,920	276,758	38,438	315,196	790,116
Marketing and promotions	-	-	-	-	-	15,413	-	15,413	15,413
Printing and publishing	23,717	1,567	4,254	5,928	35,466	39,204	4,687	43,891	79,357
Repairs, maintenance, and rental	107	64	46	35	252	17,264	-	17,264	17,516
Conference meals and lodging	890	-	31,645	57,316	89,851	2,343	15	2,358	92,209
Donations to other ministries	110,183	8,150	-	530,529	648,862	13,615	24,201	37,816	686,678
Other expenses	248,682	15,268	2,220	73,471	339,641	13,864	31,315	45,178	384,819
Total Expenses	\$ 23,307,968	\$ 1,515,610	\$ 113,447	\$ 6,498,136	\$ 31,435,161	\$ 4,742,041	\$ 3,552,429	\$ 8,294,470	\$ 39,729,631

See notes to financial statements

RELIANT MISSION, INC.

Statement of Functional Expenses

Year Ended December 31, 2019

	Program Services				Supporting Activities				Total Expenses
	U.S. Ministries	Ministry Team Development	Conferences and Events	International Ministries	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
Salaries and parsonage	\$ 16,233,588	\$ 1,032,805	\$ 166,924	\$ 3,450,433	\$ 20,883,750	\$ 2,584,012	\$ 2,614,556	\$ 5,198,568	\$ 26,082,318
Payroll taxes and employee benefits	3,229,793	217,582	36,899	684,727	4,169,001	580,825	570,406	1,151,231	5,320,232
	19,463,381	1,250,387	203,823	4,135,160	25,052,751	3,164,837	3,184,962	6,349,799	31,402,550
Travel and meals	347,625	28,590	135,021	326,347	837,583	162,618	84,016	246,634	1,084,217
Occupancy	15,234	6,029	4,514	5,836	31,613	128,257	1,534	129,791	161,404
Insurance	39,820	3,222	5,210	3,655	51,907	62,449	-	62,449	114,356
Depreciation and amortization	17,979	12,617	9,147	6,939	46,682	243,123	-	243,123	289,805
Professional fees	99,059	391	7,659	15,112	122,221	283,330	1,187	284,517	406,738
Telephone	632	73	268	1,034	2,007	4,097	220	4,317	6,324
Postage and shipping	20,002	1,020	1,435	4,283	26,740	46,082	2,914	48,996	75,736
Office supplies	10,709	644	8,676	3,386	23,415	33,296	1,937	35,233	58,648
Training, dues, and subscriptions	229,033	19,897	16,609	251,711	517,250	254,158	45,411	299,569	816,819
Marketing and promotions	-	-	-	-	-	25,753	-	25,753	25,753
Printing and publishing	20,072	1,272	11,940	4,484	37,768	50,201	3,802	54,003	91,771
Repairs, maintenance, and rental	91	64	5,118	35	5,308	14,260	-	14,260	19,568
Conference meals and lodging	10,699	-	208,364	1,583	220,646	45,693	310	46,003	266,649
Donations to other ministries	80,992	4,732	7	324,306	410,037	7,972	14,196	22,168	432,205
Other expenses	189,341	12,713	8,968	56,839	267,861	9,144	28,807	37,951	305,812
Total Expenses	\$ 20,544,669	\$ 1,341,651	\$ 626,759	\$ 5,140,710	\$ 27,653,789	\$ 4,535,270	\$ 3,369,296	\$ 7,904,566	\$ 35,558,355

See notes to financial statements

RELIANT MISSION, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,248,650	\$ 2,013,963
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	271,592	289,805
Unrealized/realized gains on investments	(104,150)	(221,655)
Gain on sale of property and equipment	(800)	-
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	40,060	(70,423)
Accounts payable and accrued expenses	195,943	412,909
Net Cash Provided by Operating Activities	3,651,295	2,424,599
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	74,686	1,450,980
Purchases of investments	(1,449,234)	(2,489,681)
Purchases of property and equipment	(214,407)	(111,891)
Proceeds from the sale of property and equipment	800	-
Net Cash Used by Investing Activities	(1,588,155)	(1,150,592)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Principal payments under finance lease liabilities	(12,456)	(11,345)
Net Change in Cash and Cash Equivalents	2,050,684	1,262,662
Cash and Cash Equivalents, Beginning of Year	4,970,012	3,707,350
Cash and Cash Equivalents, End of Year	\$ 7,020,696	\$ 4,970,012
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$ 720	\$ 1,034
NONCASH FINANCING ACTIVITIES:		
Addition of right-of-use assets from financing leases	\$ -	\$ 46,736
Addition of right-of-use asset from operating lease	\$ -	\$ 472,922

See notes to financial statements

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION:

Reliant Mission, Inc. (the Organization) is an integrated auxiliary of Collegiate Church Network and was incorporated in 1990 as an Ohio not-for-profit corporation and is exempt from federal income tax on related activities under Section 501(c)(3) of the Internal Revenue Code (the Code) and comparable State law. The Organization is classified as a publicly supported organization, which is not a private foundation under Section 509(a)(1) of the Code, and contributions to it are tax deductible within the limitations prescribed by the Code.

The Organization is an evangelical Christian mission organization that trains, employs, and serves missionaries as they raise a team of supporters for their ministry. The Organization mobilizes these missionaries to then serve local churches through evangelism, discipleship, and church planting. Currently, the Organization employs almost 800 missionaries (both full-time and part-time) who work in more than 180 churches and ministries throughout 18 countries. Employees of the Organization must adhere to a statement of faith and standards of conduct.

The Organization provides missionaries with many services, including training them for the work of deputized fundraising, coaching, and follow-up conferences. From its Orlando, Florida office, the Organization oversees salary and payroll, benefits, employee evaluations, and reimbursements for ministry expenses, as well as providing a technical support system and donor care. Of each dollar contributed to the Organization for the years ended December 31, 2020 and 2019, 88.1% and 87.2%, respectively, goes toward missionary accounts and 11.9% and 12.8%, respectively, goes toward running the mobilization support system.

The Organization is governed by an independent board of directors that meets four times annually. As a non-denominational organization, there is no requirement for board members or the executive director of the Organization to be members in a Collegiate Church Network church.

The Organization accomplishes its mission and objectives through four primary activities as described below:

U.S. Ministries—accomplishes its U.S. ministries by employing missionaries to serve in three types of churches: campus churches, church plants, and other missional churches. These churches normally are unable to fully financially support the staff they need to fulfill the mission of the church. Campus churches, located on or near a college campus, primarily reach the student population, so local church tithes and offerings alone are not sufficient to fund the workers they need for the task of evangelism and discipleship. Church plants usually begin with few members and heavy start-up costs, necessitating the need for fully supported missionaries. Organization missionaries also work in missional churches where the demographic being reached is unable to support full-time staff. These churches act as missionary bodies, doing large amounts of outreach to groups such as young, urban adults or lower-income, minority communities.

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION, continued:

Ministry Team Development—accomplishes its ministry team development through the presentation of its ministry by individual missionaries. The ministry of the Organization is presented mainly to Christians who may have an interest in the type of ministry that the Organization is doing in the U.S. and overseas. In addition, ministry team development is accomplished by asking people to volunteer time in a local ministry or church that is served by the Organization, sharing what God is doing in the U.S. and overseas through the Organization, asking them to pray for the ministry of that individual missionary and other Organization-affiliated ministries, sharing the Word of God with them, asking them to support the ministry financially, challenging them to live for Jesus Christ, and corresponding with them through a monthly prayer letter.

Conferences and Events—accomplishes its conference ministry by administrating events for Collegiate Churches and other Organization-affiliated ministries, as well as multiple conferences for training its new missionaries and interns. These events include a variety of summer long leadership training programs for college students and an annual leadership conference for missionaries of the Organization and pastors in Collegiate churches, as well as established trainings for new missionaries and interns. The goal of these conferences and events is to build up believers and train them in character, leadership skills and fundraising while envisioning them with Jesus' Great Commission.

International Ministries—accomplishes its international ministries by employing missionaries to work overseas in international churches and church plants. In 2020, approximately 18 percent of the Organization's missionaries work internationally. The Organization partners with Great Commission Europe (GCE), Great Commission Latin America (GCLA), The Salt Network Global, C2C, The 100 UPG Cooperative, Connexion Europe, and various U.S. churches, all which maintain their own distinct board of directors or elders for governance. International churches are not controlled by the Organization. The churches collect their own tithes and contributions and pay their own operating expenses. None of the revenues or expenses for these churches are recorded in these financial statements. However, the Organization does pay the salary, benefits, and ministry expenses of the missionaries assigned to the various international churches, and those expenses are recorded in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, checking, and savings accounts, and highly liquid investments with maturity dates of less than three months. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2020 and 2019, the Organization's cash balances exceeded federally insured limits by \$5,825,529 and \$4,240,439, respectively.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying statements of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at the fair market value at the date of donation and are thereafter carried in conformity with the stated policy.

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization capitalizes all property and equipment expenditures greater than \$2,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years.

CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board for use in operations or designated by the board for specific use. Equity in property and equipment represents amounts invested in property and equipment net of accumulated depreciation and finance and operating lease right-of-use assets net of finance and operating lease liabilities.

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS, continued:

Net assets with donor restrictions are stipulated by donors for specific operating purposes, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled. These include donor restrictions requiring the net assets to be held in perpetuity or for a specified term with investment return available for operations or other purposes. The disclosure requirements related to net assets to be held in perpetuity as prescribed by the *Endowment* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) are not included due to immateriality.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. Refundable registration fees paid by attendees for conferences that will occur in the upcoming year have been reported as deferred revenue. Substantially all deferred revenue at December 31, 2020 and 2019 was recognized as revenue during the following year.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications.

The Organization reports donations of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated goods (including securities, property, and equipment) are recorded at fair value at the date of the gift.

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued:

Expenses are recorded when costs are incurred in accordance with the accrual basis of accounting. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, depreciation and other expenses and have been allocated based on the programmatic function of the employees affected by the expense. Missionaries released to assignment spend 10% of their time raising support, of which 25% is ministry team development and 75% is fundraising. Ministry project accounts are directly allocated to a program. A majority of full-time, supported missionaries are responsible for securing contributions to the Organization to cover an allocated share of fundraising expenses. A portion of missionaries members' compensation is included in fundraising expenses.

In connection with promotional mailings and other informational materials and activities, the Organization incurred joint costs of \$44,228 and \$53,753 for the years ended December 31, 2020 and 2019, respectively. Of those costs, \$22,675 and \$33,353 were allocated to general and administrative, and \$21,553 and \$20,400 were allocated to fundraising for the years ended December 31, 2020 and 2019, respectively.

COMPENSATED ABSENCES

For the years ended December 31, 2020 and 2019, an accrual for compensated absences for missionaries has not been made in these financial statements because the amount cannot be reasonably estimated.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities of training, employing, and serving missionaries as they raise a team of supporters for their ministry as well as the conduct of services undertaken to support those activities to be general expenditures.

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 7,020,696	\$ 4,970,012
Investments	8,108,831	6,630,133
Accounts receivable and other advances	182,634	224,120
Financial assets, at year-end	<u>15,312,161</u>	<u>11,824,265</u>

(continued)

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

	December 31,	
	2020	2019
Less those not available for general expenditure within one year:		
Headquarters administrative endowment	(17,227)	(17,227)
Board designated reserves	(2,596,989)	(1,683,718)
	<u>(2,614,216)</u>	<u>(1,700,945)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,697,945</u>	<u>\$ 10,123,320</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Board designated reserves can be released upon resolution of the board and used for general expenditures. At December 31, 2020, the Organization has \$9,727,878 in net assets with donor restrictions for missionary and project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purposes.

4. INVESTMENTS:

Investments consist of the following:

	December 31,	
	2020	2019
Held at fair value:		
Mutual funds	\$ 121,707	\$ 133,727
Corporate bonds	20,725	20,683
Equity securities and exchange traded funds	1,828,279	1,024,421
	<u>1,970,711</u>	<u>1,178,831</u>
Held at cost:		
Cash and cash equivalents	905,171	77,911
Certificates of deposit (plus accrued interest)	5,232,949	5,373,391
	<u>6,138,120</u>	<u>5,451,302</u>
	<u>\$ 8,108,831</u>	<u>\$ 6,630,133</u>

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

4. INVESTMENTS, continued:

Investments are held for the following purposes:

	December 31,	
	2020	2019
General operations	\$ 1,258,148	\$ 1,203,047
Endowment	57,400	47,494
Missionaries and other restricted purposes	6,793,283	5,379,592
	<u>\$ 8,108,831</u>	<u>\$ 6,630,133</u>

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consist of:

	December 31,	
	2020	2019
Computer and office equipment	\$ 268,931	\$ 288,800
Furniture and equipment	4,441	4,441
Leasehold improvements	93,206	89,063
Software and development environment	254,997	250,393
Website capital costs	1,500,613	1,314,493
	<u>2,122,188</u>	<u>1,947,190</u>
Less accumulated depreciation and amortization	<u>(1,684,061)</u>	<u>(1,470,580)</u>
	<u>\$ 438,127</u>	<u>\$ 476,610</u>

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

6. NET ASSETS:

Net assets consist of:

	December 31,	
	2020	2019
Without donor restrictions:		
Board designated for:		
General and administrative reserve	\$ 2,363,558	\$ 1,607,153
Staff ministries fund	53,435	46,298
Diversity initiative scholarship fund	60,000	-
Headquarters administrative endowment	36,786	27,282
Events administration	80,064	-
Collegiate Leadership Ministry	3,146	2,985
	<u>2,596,989</u>	<u>1,683,718</u>
Equity in property and equipment	438,127	476,610
	<u>\$ 3,035,116</u>	<u>\$ 2,160,328</u>
With donor restrictions:		
Restricted for purpose or time:		
Missionary staff	\$ 8,432,458	\$ 6,384,775
U.S. churches and ministries	488,738	-
Collegiate churches and ministries	361,656	419,702
Asia churches and ministries	150,834	184,035
Latin America churches and ministries	126,190	132,576
Europe churches and ministries	71,743	55,616
Short-term mission trips	14,835	95,888
Other funds with purpose restrictions	792	792
	<u>9,647,246</u>	<u>7,273,384</u>
Restricted in perpetuity:		
Headquarters administrative endowment	17,227	17,227
	<u>\$ 9,664,473</u>	<u>\$ 7,290,611</u>

7. TAX DEFERRED RETIREMENT PLAN:

The Organization operates a 401(k) tax deferred retirement plan for employees who have completed one year of service. Employee elective deferrals are matched by the Organization 100% up to 5% of eligible earning per year. The Organization contributed \$756,952 and \$668,817 to the plan as the employer provided match for the years ended December 31, 2020 and 2019, respectively.

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

8. LEASES:

Leases consist of:

	December 31, 2020		
	Cost	Accumulated Amortization	Net Book Value
Operating lease right-of-use asset:			
Office space leased under a three-year operating lease agreement dated August 2019. The Organization will pay monthly payments of \$13,000 to \$14,000 with an implied rate of 1.75%	\$ 472,923	\$ (220,241)	\$ 252,682
Financing lease right-of-use assets:			
Copier equipment leased under a thirty-nine month finance lease agreement dated January 2019. The Organization will pay monthly payments of \$702 with an implied rate of 2.55%.	\$ 26,234	\$ (16,144)	\$ 10,090
Mailing equipment leased under a five-year finance lease agreement dated June 2018. The Organization will pay monthly payments of \$366 with an implied rate of 2.77%.	20,502	(8,991)	11,511
	<u>\$ 46,736</u>	<u>\$ (25,135)</u>	<u>\$ 21,601</u>
	December 31, 2019		
	Cost	Accumulated Amortization	Net Book Value
Operating lease right-of-use asset:			
Office space leased under a three-year operating lease agreement dated August 2019. The Organization will pay monthly payments of \$13,000 to \$14,000 with an implied rate of 1.75%	\$ 472,923	\$ (64,230)	\$ 408,693

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Notes to Financial Statements

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8. LEASES, continued:

	December 31, 2019		
	Cost	Accumulated Amortization	Net Book Value
Financing lease right-of-use assets:			
Copier equipment leased under a thirty-nine month finance lease agreement dated January 2019. The Organization will pay monthly payments of \$702 with an implied rate of 2.55%.	\$ 26,234	\$ (8,072)	\$ 18,162
Mailing equipment leased under a five-year finance lease agreement dated June 2018. The Organization will pay monthly payments of \$366 with an implied rate of 2.77%.	20,502	(4,291)	16,211
	\$ 46,736	\$ (12,363)	\$ 34,373

Lease costs consist of:

	December 31,	
	2020	2019
Finance lease cost:		
Amortization of right-of-use assets	\$ 12,772	\$ 12,172
Interest on lease liabilities	720	1,034
Operating lease cost	65,000	65,000
	\$ 78,492	\$ 78,206

Future minimum lease payments required under the operating lease that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Years Ending December 31,	Amounts
2021	\$ 164,500
2022	98,000
	\$ 262,500

RELIANT MISSION, INC.

Notes to Financial Statements

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8. LEASES, continued:

Future minimum lease payments required under the financing leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2021	\$ 12,816
2022	6,498
2023	3,085
	<u>22,399</u>
Less amount representing interest	<u>536</u>
	<u>\$ 22,935</u>

9. RELATED PARTIES:

During the years ended December 31, 2020 and 2019, the Organization engaged in certain activities with related parties as follows:

A member of the board of directors of the Organization is also a member of the board of directors of Great Commission Latin America (GCLA). In 2020 and 2019, the Organization made contributions of \$32,500 and \$35,700, respectively, to GCLA. The Organization received contributions of \$124,690 and \$139,270 from GCLA during 2020 and 2019, respectively.

In 2020 and 2019, the Organization made contributions and grant payments totaling \$55,779 and \$40,805, respectively, to Collegiate Church Network churches and ministries. The Organization also received contributions (representing church tithes and the Organization missionary support) from Collegiate Church Network churches and ministries totaling \$1,509,131 and \$1,444,422 during 2020 and 2019, respectively.

10. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, The Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019:

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

10. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Growth funds	\$ 78,842	\$ -	\$ -	\$ 78,842
Large blend	42,865	-	-	42,865
	<u>121,707</u>	<u>-</u>	<u>-</u>	<u>121,707</u>
Corporate bonds:				
Short and long-term bonds	-	20,725	-	20,725
Equity securities and exchange traded funds:				
Aerospace and defense	12,981	-	-	12,981
Energy	31,638	-	-	31,638
Financial and consumer	118,109	-	-	118,109
Healthcare and utilities	44,104	-	-	44,104
Preferred stock	56,276	-	-	56,276
Telecommunication services	50,364	-	-	50,364
Preferred stock	136,711	-	-	136,711
Short and long-term bonds	1,334,467	-	-	1,334,467
Large blend	17,451	-	-	17,451
Large value	12,828	-	-	12,828
Small blend	13,350	-	-	13,350
	<u>1,828,279</u>	<u>-</u>	<u>-</u>	<u>1,828,279</u>
Total investments	<u>\$ 1,949,986</u>	<u>\$ 20,725</u>	<u>\$ -</u>	<u>\$ 1,970,711</u>

RELIANT MISSION, INC.

Notes to Financial Statements

December 31, 2020 and 2019

10. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Growth funds	\$ 72,485	\$ -	\$ -	\$ 72,485
Preferred stock	56,694	-	-	56,694
Short-term bond funds	4,548	-	-	4,548
	<u>133,727</u>	<u>-</u>	<u>-</u>	<u>133,727</u>
Corporate bonds:				
Short and long-term bonds	-	20,683	-	20,683
	<u>-</u>	<u>20,683</u>	<u>-</u>	<u>20,683</u>
Equity securities and exchange traded funds:				
Energy	22,126	-	-	22,126
Financial and consumer	219,641	-	-	219,641
Healthcare and utilities	28,234	-	-	28,234
Taxable fixed income	602,514	-	-	602,514
Government securities	89,997	-	-	89,997
Telecommunication services	61,909	-	-	61,909
	<u>1,024,421</u>	<u>-</u>	<u>-</u>	<u>1,024,421</u>
Total investments	<u>\$ 1,158,148</u>	<u>\$ 20,683</u>	<u>\$ -</u>	<u>\$ 1,178,831</u>

Methods and assumptions used by the Organization in estimating fair values are as follows:

Mutual funds, equity securities and exchange traded funds—The fair values of these financial instruments are based on quoted market prices or dealer quotes.

Certificates of deposit—The fair values of these financial instruments are determined by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

Change in valuation techniques—None.

RELIANT MISSION, INC.

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December 31, 2020 and 2019

11. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 3, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.