



**World Radio Missionary Fellowship, Inc.,  
dba Reach Beyond**

Financial statements for the years ended  
December 31, 2022 and 2021

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## **INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
World Radio Missionary Fellowship, Inc.  
dba Reach Beyond

### **Opinion**

We have audited the accompanying financial statements of World Radio Missionary Fellowship, Inc. dba Reach Beyond, which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Radio Missionary Fellowship, Inc. dba Reach Beyond, as of December 31, 2022 and 2021 and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of World Radio Missionary Fellowship, Inc. dba Reach Beyond 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 these 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 World Radio Missionary Fellowship, Inc. dba Reach Beyond's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility 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 auditors' 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 the Organization'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 the Organization'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.

*Stockman Kast Ryan + Co. LLP*

May 8, 2023

World Radio Missionary Fellowship, Inc., dba Reach Beyond  
 Statements of Financial Position  
 December 31, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
Assets:		
Cash and cash equivalents	\$ 2,529,838	\$ 2,130,374
Accounts receivable	75,092	87,475
Prepayments and other assets	23,826	24,204
Long-term advances	-	191,356
Certificates of deposit	1,404,597	603,599
Investments	5,636,076	6,297,029
Property and equipment	275,347	308,173
Assets under charitable gift annuity agreements	<u>3,122,211</u>	<u>3,969,444</u>
 Total assets	 <u>\$ 13,066,987</u>	 <u>\$ 13,611,654</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 149,523	\$ 109,982
Donations payable	-	26,902
Liabilities under charitable gift annuity agreements	<u>1,818,471</u>	<u>1,962,548</u>
 Total liabilities	 <u>\$ 1,967,994</u>	 <u>\$ 2,099,432</u>
Net assets:		
With donor restrictions:		
Missionary support	3,851,813	3,480,095
Projects	<u>2,163,448</u>	<u>1,782,921</u>
 Total net assets with donor restrictions	 <u>6,015,261</u>	 <u>5,263,016</u>
Without donor restrictions:		
Designated by the board - annuity reserves	1,303,740	2,006,896
Designated by the board - software reserves	84,151	84,151
Undesignated	<u>3,695,841</u>	<u>4,158,159</u>
 Total net assets without donor restrictions	 <u>5,083,732</u>	 <u>6,249,206</u>
 Total net assets	 <u>11,098,993</u>	 <u>11,512,222</u>
 Total liabilities and net assets	 <u>\$ 13,066,987</u>	 <u>\$ 13,611,654</u>

See notes to financial statements

World Radio Missionary Fellowship, Inc., dba Reach Beyond  
 Statements of Activities  
 For the Years Ended December 31, 2022 and 2021

	2022			2021 (as restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Public support:						
Contributions	\$ 1,196,700	\$ 6,829,466	\$ 8,026,166	\$ 1,853,885	\$ 6,877,040	\$ 8,730,925
Donated goods and services	–	270,124	270,124	–	183,952	183,952
Total public support	<u>1,196,700</u>	<u>7,099,590</u>	<u>8,296,290</u>	<u>1,853,885</u>	<u>7,060,992</u>	<u>8,914,877</u>
Revenue:						
Earnings (loss) on investments	(610,570)	1,200	(609,370)	302,988	1,200	304,188
Media income	–	6,552	6,552	–	6,426	6,426
Change in value of charitable gift annuity agreements	(706,910)	–	(706,910)	285,502	–	285,502
Other income	39,041	8,687	47,728	332,785	312,914	645,699
Total revenue	<u>(1,278,439)</u>	<u>16,439</u>	<u>(1,262,000)</u>	<u>921,275</u>	<u>320,540</u>	<u>1,241,815</u>
Total public support and revenue	<u>(81,739)</u>	<u>7,116,029</u>	<u>7,034,290</u>	<u>2,775,160</u>	<u>7,381,532</u>	<u>10,156,692</u>
Net assets released:						
Purpose restrictions	5,759,234	(5,759,234)	–	5,843,864	(5,843,864)	–
Administrative assessments	604,550	(604,550)	–	642,817	(642,817)	–
Total net assets released	<u>6,363,784</u>	<u>(6,363,784)</u>	<u>–</u>	<u>6,486,681</u>	<u>(6,486,681)</u>	<u>–</u>
Expenses:						
Program services:						
Media	2,102,196	–	2,102,196	2,004,030	–	2,004,030
Healthcare	1,174,595	–	1,174,595	1,108,807	–	1,108,807
Leadership development	1,281,388	–	1,281,388	1,266,243	–	1,266,243
Missions awareness	919,114	–	919,114	889,432	–	889,432
Total program services	<u>5,477,293</u>	<u>–</u>	<u>5,477,293</u>	<u>5,268,512</u>	<u>–</u>	<u>5,268,512</u>
Supporting activities:						
General and administrative	1,503,638	–	1,503,638	1,714,399	–	1,714,399
Fundraising	466,588	–	466,588	429,442	–	429,442
Total supporting activities	<u>1,970,226</u>	<u>–</u>	<u>1,970,226</u>	<u>2,143,841</u>	<u>–</u>	<u>2,143,841</u>
Total expenses	<u>7,447,519</u>	<u>–</u>	<u>7,447,519</u>	<u>7,412,353</u>	<u>–</u>	<u>7,412,353</u>
Excess (deficiency) of public support and revenue over expenses	(1,165,474)	752,245	(413,229)	1,849,488	894,851	2,744,339
Net assets, beginning of year	<u>6,249,206</u>	<u>5,263,016</u>	<u>11,512,222</u>	<u>4,399,718</u>	<u>4,368,165</u>	<u>8,767,883</u>
Net assets, end of year	<u>\$ 5,083,732</u>	<u>\$ 6,015,261</u>	<u>\$ 11,098,993</u>	<u>\$ 6,249,206</u>	<u>\$ 5,263,016</u>	<u>\$ 11,512,222</u>

See notes to financial statements

World Radio Missionary Fellowship, Inc., dba Reach Beyond  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2022 and 2021

	2022								
	Program Services					Supporting Activities			
	Media	Healthcare	Leadership Development	Missions Awareness	Subtotal	General and Administrative	Fundraising	Subtotal	Total
Expenses:									
Personnel costs	\$ 1,323,965	\$ 818,446	\$ 1,121,543	\$ 821,352	\$ 4,085,306	\$ 1,145,044	\$ 335,670	\$ 1,480,714	\$ 5,566,020
Materials and supplies	28,289	31,337	8,214	4,784	72,624	16,979	4,643	21,622	94,246
Postage and shipping	7,538	2,727	3,274	7,359	20,898	7,606	7,381	14,987	35,885
Occupancy costs	24,404	8,715	9,026	2,650	44,795	14,459	54,884	69,343	114,138
Printing and public relations	33,891	22,365	12,284	12,552	81,092	16,716	27,230	43,946	125,038
Professional services	172,702	32,979	18,266	16,791	240,738	118,464	12,726	131,190	371,928
Travel	93,880	86,038	37,169	38,696	255,783	61,929	8,915	70,844	326,627
Ministry partner support	411,827	166,970	66,963	14,208	659,968	34,464	6,414	40,878	700,846
Donations	-	-	-	-	-	-	7,708	7,708	7,708
Depreciation	-	-	-	-	-	32,826	-	32,826	32,826
Miscellaneous	5,700	5,018	4,649	722	16,089	55,151	1,017	56,168	72,257
Total expenses	\$ 2,102,196	\$ 1,174,595	\$ 1,281,388	\$ 919,114	\$ 5,477,293	\$ 1,503,638	\$ 466,588	\$ 1,970,226	\$ 7,447,519

	2021 (as restated)								
	Program Services					Supporting Activities			
	Media	Healthcare	Leadership Development	Missions Awareness	Subtotal	General and Administrative	Fundraising	Subtotal	Total
Expenses:									
Personnel costs	\$ 1,361,412	\$ 766,250	\$ 1,085,273	\$ 733,554	\$ 3,946,489	\$ 1,382,609	\$ 308,359	\$ 1,690,968	\$ 5,637,457
Materials and supplies	94,611	34,202	6,148	3,840	138,801	27,465	3,207	30,672	169,473
Postage and shipping	8,697	1,559	1,941	4,161	16,358	3,401	7,493	10,894	27,252
Occupancy costs	14,488	11,590	10,784	3,406	40,268	31,107	45,565	76,672	116,940
Printing and public relations	12,263	18,308	15,961	16,163	62,695	12,448	29,649	42,097	104,792
Professional services	144,109	29,069	25,807	27,980	226,965	103,524	14,201	117,725	344,690
Travel	38,985	68,951	25,797	21,622	155,355	21,600	6,852	28,452	183,807
Ministry partner support	320,962	171,185	87,140	77,989	657,276	44,187	6,681	50,868	708,144
Donations	-	-	111	31	142	2	7,119	7,121	7,263
Depreciation	-	-	-	-	-	35,880	-	35,880	35,880
Miscellaneous	8,503	7,693	7,281	686	24,163	52,176	316	52,492	76,655
Total expenses	\$ 2,004,030	\$ 1,108,807	\$ 1,266,243	\$ 889,432	\$ 5,268,512	\$ 1,714,399	\$ 429,442	\$ 2,143,841	\$ 7,412,353



World Radio Missionary Fellowship, Inc., dba Reach Beyond  
 Statements of Cash Flows  
 For the Years Ended December 31, 2022 and 2021

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	2022	(as restated) 2021
Cash flows from operating activities:		
Received from contributors	\$ 7,985,418	\$ 8,491,231
Received for services	6,226	3,475
Interest and dividends received	249,430	324,429
Miscellaneous receipts	52,136	34,637
Paid to or on behalf of employees and retirees	(5,203,995)	(5,531,994)
Paid to suppliers and service providers	(1,043,915)	(959,338)
Ministry partner support and other donations	(735,456)	(708,669)
Paid to annuitants	(299,391)	(316,186)
Miscellaneous payments	23,725	(80,992)
Net cash provided by operating activities	<u>1,034,178</u>	<u>1,256,593</u>
Cash flows from investing activities:		
Purchase of property and equipment	-	(10,995)
Purchases of certificates of deposit	(775,000)	(600,000)
Proceeds from sales of investments	360,780	1,136,508
Purchases of investments	(220,494)	(1,779,346)
Net cash used by investing activities	<u>(634,714)</u>	<u>(1,253,833)</u>
Change in cash and cash equivalents	399,464	2,760
Cash and cash equivalents, beginning of year	<u>2,130,374</u>	<u>2,127,614</u>
Cash and cash equivalents, end of year	<u>\$ 2,529,838</u>	<u>\$ 2,130,374</u>
Reconciliation of excess (deficiency) of public support and revenue over expenses to net cash provided by operating activities:		
Excess (deficiency) of public support and revenue over expenses	\$ (413,229)	\$ 2,744,339
Adjustments to reconcile excess (deficiency) of public support and revenue over expenses to net cash provided by operating activities:		
Noncash expenses (revenues):		
Depreciation	32,826	35,880
Receipt of in-kind stock donations	(36,995)	(237,871)
Net realized and unrealized loss (gain) on investments	756,593	(166,837)
Loss (gain) on assets under charitable gift annuity and trust agreements	608,578	(278,308)
Actuarial gain on charitable gift annuity and trust agreements	(81,390)	(94,196)
Matured charitable gift annuity and trust agreements	(68,933)	(96,755)
Changes in operating assets and liabilities:		
Accounts receivable	12,383	(85,897)
Accrued interest receivable	-	507
Prepayments and other assets	378	4,398
Long-term advances	191,356	-
Net assets under charitable gift annuity agreements	19,972	26,134
Paycheck Protection Program loan payable	-	(611,062)
Accounts payable and accrued expenses	39,541	13,541
Donations payable	(26,902)	6,705
Grant loan interest payable	-	(3,985)
Net cash provided by operating activities	<u>\$ 1,034,178</u>	<u>\$ 1,256,593</u>

**World Radio Missionary Fellowship, Inc.,  
dba Reach Beyond**

Notes to the financial statements

## 1 World Radio Missionary Fellowship, Inc. — Information

World Radio Missionary Fellowship, Inc., a United States nonprofit organization, does business as Reach Beyond. Reach Beyond is an interdenominational, international Christian mission organization whose mission is “Empowering dynamic media and healthcare ministries that declare and demonstrate Jesus Christ.” Reach Beyond is committed to communicating the gospel of Jesus Christ to all nations via media, healthcare, and leadership development.

Reach Beyond operates a ministry service center in Colorado Springs, Colorado and has ministries in Latin America, Europe/Euro Asia, North Africa and the Middle East, Sub-Saharan Africa, and Asia-Pacific. Reach Beyond is governed by the World Radio Missionary Fellowship, Inc. board of trustees which sets policies and directs the work of the mission. Reach Beyond is associated with entities in the United Kingdom, Sweden, the Netherlands, Canada, New Zealand, Australia, and Ecuador. The financial position and results of operations of these associated organizations are not included in the financial statements as these entities are not controlled by Reach Beyond.

Reach Beyond is a faith mission, depending on God to prompt individuals, local churches, and other organizations to meet financial needs. Reach Beyond maintains a high degree of fiscal integrity and is a charter member of the Evangelical Council for Financial Accountability (ECFA) and *Missio Nexus*.

Since its founding in 1931, Reach Beyond’s passion has been to make disciples of Jesus Christ. Through the practical tools of media (Reach Beyond Voice) and healthcare (Reach Beyond Hands), the mission is touching lives and empowering the voice and hands of believers around the world. Local believers are being equipped to change their communities and the world as missionaries, pastors, broadcasters, and healthcare providers. Working together with partners, Reach Beyond has helped establish radio stations in more than 100 countries, broadcasting in more than 100 languages and dialects. Christ-centered healthcare provided by hospitals, clinics, and community development programs is touching thousands of lives.

Reach Beyond exists so that people everywhere may come to Christ, become His disciples, and serve Him as vital parts of the body of Christ. Reach Beyond places priority on multiplying God’s resources by creating sustainable and reproducible ministries. Reach Beyond’s vision is to see people everywhere transformed in Christ, engaged in the growing Church, and empowered to ignite reproducing ministries that bring His light to their communities.

Ministries are conducted through the following:

Media — Reach Beyond Voice delivers the gospel through the most effective medium for each audience and culture, whether via FM, AM, shortwave, direct-to-home satellite, or the Internet. Reach Beyond missionaries work with local partners to plant radio ministries around the world; Internet chat rooms open doors to people who do not listen to Christian radio, while shortwave and satellite broadcasts reach remote areas or into countries that are closed to missionaries.

Healthcare and Community Development — Reach Beyond Hands provides healthcare services, focusing on integrated patient care and medical education. Mobile medical clinics provide medical and dental treatment. Community development projects help rural communities improve sanitation and obtain clean water. Reach Beyond Hands also helps partner organizations start medical ministries and partners with relief organizations by sending emergency medical response teams to crisis areas.

## 1 World Radio Missionary Fellowship, Inc. — Information, continued

Missions Awareness — Reach Beyond mobilizes individuals and churches to be involved in worldwide missions through long and short-term missions, welcoming, praying, giving, and going.

Leadership Development — Reach Beyond trains media personnel, healthcare professionals, and national church leaders and conducts programs throughout the world in radio production, communication theory, journalism, station management, technical maintenance, promotion, and cooperation. The goal is to fulfill the Great Commission by means of discipleship.

## 2 Summary of significant accounting policies

### 2.1 Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### 2.2 Change in reporting entity

Reach Beyond's 2021 financial statements issued on May 3, 2022 included the results of operations of Fundación Voz y Manos – Ecuador ("Voz y Manos"), an Ecuadorian nonprofit organization, through August 5, 2021. Since Reach Beyond's control of Voz y Manos ended in 2021, the 2022 financial statements are solely the assets, liabilities, and transactions of Reach Beyond. The 2021 comparative information included in this report has been restated to exclude the results of operations of Voz y Manos.

### 2.3 Cash and cash equivalents

Cash and cash equivalents include checking accounts, savings accounts, money market accounts, and certificates of deposit with an original maturity of three months or less.

### 2.4 Accounts receivable

Reach Beyond grants credit to customers and other entities in the normal course of providing services. Payment is due at the time the product or service is rendered. Receivables are past due when they exceed their contractual due date. Reach Beyond does not accrue interest on past due receivables and accounts are written off after all collection efforts have been exhausted. Management may establish a reserve for uncollectible accounts to absorb possible losses. Reserves, if deemed necessary, are based on an evaluation of receivables that includes, but is not limited to, historical collection experience, general economic conditions, and the financial condition and specific circumstances of individual creditors. Changes in estimates are recorded in the reserve with a corresponding current year charge or credit to expense.

### 2.5 Donations receivable and payable

When another organization has made an unconditional promise to donate assets, revenue is recognized in the year the promise is made and a receivable is recorded in the statement of financial position.

Unconditional promises to donate to other organizations are recognized as an expense in the year the promise is made and as a donation payable in the statement of financial position.

### 2.6 Investments

Investments include mutual funds, exchange traded funds, index funds, common stocks, corporate bonds, U.S. government securities, real estate investment trusts, and mortgage-backed securities. Cash held by a custodian temporarily for investment purposes is included in investments.

Donated securities are recorded at fair value when received and are sold as soon as is practical.

## 2 Summary of significant accounting policies, continued

### 2.6 Investments, continued

Investments are adjusted to fair value on a recurring basis by recognizing unrealized gains or losses.

Realized and unrealized gains and losses are reported in the statement of activities in the year in which they occur. Non-recurring fair value adjustments may be made if there is difficulty in valuing an investment or as a result of a specific event, however all investments were measured on a recurring basis at December 31, 2022 and 2021.

### 2.7 Certificates of deposit

Certificates of deposit with original maturities of more than three months are carried at cost. Because of their maturity, these investments do not meet the definition of cash equivalents. Certificates of deposits are not securities and are not subject to fair value disclosures for investments.

### 2.8 Property and equipment

Reach Beyond capitalizes acquisitions of property and equipment if the value exceeds \$5,000. Purchased assets are capitalized at cost, including costs directly attributable to placing the assets in service. Donated assets are capitalized at their fair value on the date of donation. Buildings, furniture, and equipment are subsequently valued at cost less depreciation and impairment losses, if any. Depreciation is recorded using the straight-line method over the estimated useful lives of assets (16–25 years for buildings and 5–15 years for vehicles, equipment, and furniture). If the value of an asset is impaired prior to the end of its estimated useful life, its carrying value is reduced with a charge to expense. An analysis for impairment was completed at December 31, 2022, and resulted in no impairment.

Gains or losses from the sale of property and equipment are determined by the difference between the proceeds and the carrying amount of the asset. Gains and losses from the exchange or donation of assets are determined by the difference between the fair value of the assets and their carrying amounts. Net gains or losses are reported in the revenue section of the statement of activities.

### 2.9 Assets and liabilities under charitable gift annuity agreements

Reach Beyond has a charitable gift annuity plan that allows donors to contribute assets in exchange for the right to receive fixed monthly payments during their lifetimes. Gift annuity proceeds are invested and are valued based on a fair value hierarchy as explained in Note 4.

The liability under charitable gift annuity agreements is determined by an annual actuarial valuation based on the Annuity 2000 gender-based mortality table and a discount rate of 6%. Once received from donors, the assets are unrestricted and the payments to the donor are general obligations of Reach Beyond.

Reach Beyond may administer irrevocable charitable remainder trusts which provide lifetime distributions to the grantor or other designated beneficiary. Upon receipt of trust assets, the actuarially determined present value of future payments is recorded as a liability and the remaining portion of trust assets attributable to Reach Beyond's future interest is recorded in the statement of financial position as net assets with donor restrictions.

## 2 Summary of significant accounting policies, continued

### 2.10 Net assets

Net assets with donor restrictions are resources with donor stipulations with respect to purpose or time and include reserves related to charitable remainder trusts, missionary funds, work team funds, and contributions for specific projects.

Net assets without donor restrictions include reserves related to charitable gift annuity agreements and all resources not otherwise restricted or designated.

### 2.11 Revenue recognition principles

Contributions are recorded as revenue when received or when unconditionally promised, whichever comes first. Donations are reported with donor restrictions if they are received with stipulations that limit their use. When a donor restriction expires, the net assets are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions are considered to be without donor restrictions unless specifically restricted by the donor.

Government grants are recognized as revenue when there is reasonable assurance that the terms and conditions of the grant will be met and that the grant will be received.

Donated goods and services are valued at their fair market value at the date of donation or, if more readily determinable, at the cost to acquire comparable assets and services.

Media income consists of production and airing revenues and is recorded when services have been provided.

Other income is recorded when earned, which is when products or services have been provided.

Revenue is reported at estimated net realizable amounts.

### 2.12 Seconded services

Seconded services arise when individuals are directed and perform services for an organization but their salary and related benefits are paid by a different organization. Reach Beyond has secondment agreements with other nonprofit organizations and is both the recipient and grantor of seconded services. When Reach Beyond is the recipient of seconded services, the services are valued using comparable missionary compensation or externally published rates for professional services and the donated services are included in the statement of activities as public support and in the statement of activities and statement of functional expenses as an expense.

### 2.13 Income taxes

World Radio Missionary Fellowship, Inc. is a nonprofit corporation established in 1931 in Ohio with subsequent incorporation as a Florida charitable organization in 1976. World Radio Missionary Fellowship, Inc. is recognized as a church by the Internal Revenue Service and is exempt from income taxation under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and comparable state laws. World Radio Missionary Fellowship, Inc. is classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code. Contributions to World Radio Missionary Fellowship, Inc. qualify for the charitable contribution deduction under Code Section 170(b)(1)(A).

## 2 Summary of significant accounting policies, continued

### 2.14 Employee benefit plans

Reach Beyond provides retirement benefits through a 401(k) (defined contribution) plan and expenses are recorded in the same period as the corresponding employee compensation.

Reach Beyond provides medical benefits through a third-party insurance company and premiums are expensed in the same period as the corresponding employee compensation.

### 2.15 Functional allocation of expenses

The costs of providing programs and supporting activities are presented on a functional basis in the statements of activities; expenses not directly related to a program have been allocated among the program services and supporting activities benefited:

- Personnel costs, ministry partner support, and travel are allocated based upon staff time and effort which are determined through job descriptions and surveys of staff.
- Professional services and other miscellaneous expenses are allocated based on the department that oversees the project or ministry.

### 2.16 Management estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the amount of public support, revenues, and expenses reported. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be materially different.

Significant estimates and assumptions in the financial statements include future obligations under charitable gift annuity and trust agreements, the fair value of services for seconded missionaries, and useful lives for depreciation.

### 2.17 Subsequent events

Management has evaluated subsequent events through the report date, which represents the date the financial statements were available to be issued.

## 3 Uninsured cash and cash equivalents

Reach Beyond's cash and cash equivalents consist of cash deposits with financial institutions (partially insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration) and money market funds (uninsured) at December 31:

	2022	2021 (restated)
Deposits per financial institutions	\$ 547,270	\$ 1,416,552
Less insured amounts	(275,766)	(960,425)
Uninsured deposits per financial institutions	271,504	456,127
Money market funds (uninsured)	1,758,768	684,780
Total uninsured cash and cash equivalents	<u>\$ 2,030,272</u>	<u>\$ 1,140,907</u>

Reach Beyond has not experienced any losses and management believes no significant credit risk exists on its bank deposits or money market accounts.

#### 4 Fair value of investments and assets under charitable gift annuity agreements

Investments and assets and liabilities under charitable gift annuity agreements are valued based on a fair value hierarchy. The hierarchy has three levels:

- Level 1 assets are valued according to quoted market prices in active markets.
- Level 2 assets do not have quoted market prices but their fair value can be determined based on other data or market prices of similar assets.
- Level 3 assets are valued based on unobservable inputs such as management's estimates or pricing models.

At December 31, 2022 and 2021, there were no investments or assets under charitable gift annuity agreements categorized in levels 2 or 3.

Investments and assets under charitable gift annuity agreements are exposed to various risks, such as market fluctuations and changes in interest rates or credit ratings. Due to these risks, it is possible that values could fluctuate materially.

Fair value of investments at December 31:

	2022	2021
Mutual funds:		
Common stocks — growth	\$ 87,033	\$ 79,794
Common stocks — international	348,760	370,025
Common stocks — value	138,568	153,310
Fixed income	2,687,239	3,156,802
Real estate investment trusts	145,129	189,326
	<u>3,406,729</u>	<u>3,949,257</u>
Exchange traded funds:		
Common stocks — blended	—	—
Common stocks — growth	227,388	316,728
Common stocks — value	449,184	470,752
Fixed income	1,552,775	1,560,292
U.S. treasuries	—	—
	<u>2,229,347</u>	<u>2,347,772</u>
Total investments at fair value	<u>\$ 5,636,076</u>	<u>\$ 6,297,029</u>



#### 4 Fair value of investments and assets under charitable gift annuity agreements, continued

Fair value of assets under charitable gift annuity agreements at December 31:

	2022	2021
Mutual funds:		
Common stocks — growth	\$ 76,491	\$ 116,061
Common stocks — international	399,734	482,499
Common stocks — value	112,288	145,147
Fixed income	673,907	840,665
Real estate investment trusts	135,240	230,750
	<u>1,397,660</u>	<u>1,815,122</u>
Exchange traded funds:		
Common stocks — blended	122,985	156,040
Common stocks — growth	288,074	398,653
Common stocks — international	39,354	50,010
Common stocks — value	383,469	418,073
Fixed income	520,478	606,210
Real estate investment trusts	16,764	22,913
	<u>1,371,124</u>	<u>1,651,899</u>
Common stocks:		
Technology	—	5,794
Telecommunications	—	50,136
Transportation	—	14,763
Utilities	—	54,159
	<u>—</u>	<u>124,852</u>
U.S. treasury notes:		
Aaa credit rating	140,267	151,017
	<u>140,267</u>	<u>151,017</u>
Assets at fair value	2,909,051	3,742,890
Assets at cost:		
Cash and cash equivalents	213,160	226,554
	<u>213,160</u>	<u>226,554</u>
Total assets under charitable gift annuity agreements	<u>\$ 3,122,211</u>	<u>\$ 3,969,444</u>

#### 5 Property and equipment

	At December 31	
	2022	2021
Land	\$ 100,000	\$ 100,000
Buildings and improvements	1,265,191	1,265,191
Equipment, vehicles, and furniture	267,368	267,368
Accumulated depreciation	(1,357,212)	(1,324,386)
Total property and equipment	<u>\$ 275,347</u>	<u>\$ 308,173</u>

Depreciation expense was \$32,826 and \$36,485 for 2022 and 2021, respectively.

## 6 Charitable gift annuity agreements

	At December 31	
	2022	2021
Assets:		
Cash and cash equivalents	\$ 213,160	\$ 226,554
Mutual funds, index funds, and exchange-traded funds	2,768,784	3,467,021
Common stocks	–	124,852
U.S. treasuries and agencies	140,267	151,017
Total assets under charitable gift annuity agreements	3,122,211	3,969,444
Liabilities under charitable gift annuity agreements	(1,818,471)	(1,962,548)
Net assets under charitable gift annuity agreements	\$ 1,303,740	\$ 2,006,896

Some states in which annuities are issued require charitable organizations to follow investment guidelines and maintain minimum reserves. At December 31, 2022 and 2021, Reach Beyond was in compliance with all state requirements.

Assets held as reserves for charitable gift annuity agreements exceeded the minimum requirements of state jurisdictions by \$905,977 and \$1,578,392 at December 31, 2022 and 2021, respectively.

	2022	2021
Change in value during the year:		
Interest and dividends received and reinvested	\$ 74,758	\$ 67,536
Net realized gains (losses)	(296)	92,850
Net unrealized gains (losses)	(608,578)	278,308
Actuarial change in projected amounts payable	81,390	94,196
Matured agreements	68,932	96,755
Custodial and management fees	(23,725)	(27,957)
Payments to annuitants	(299,391)	(316,186)
Change in value of charitable gift annuity agreements	\$ (706,910)	\$ 285,502

## 7 Coronavirus Aid, Relief, and Economic Security (CARES) Act

On May 7, 2020, World Radio Missionary Fellowship, Inc. received a \$611,062 loan under the Paycheck Protection Program established by the CARES Act. The loan called for simple interest at 1% per year with principal and interest due on May 6, 2022. The terms of the loan provided for forgiveness to the extent proceeds of the loan were used for eligible expenditures. At December 31, 2020, the financial statements included a loan payable of \$611,062 and accrued interest payable of \$3,985. The loan was forgiven on January 8, 2021, therefore the 2021 statement of activities reported \$611,062 in other income and \$3,985 as a credit to general and administrative expense (miscellaneous expense).

The 2021 financial statements included a receivable of \$84,471 for an employee retention credit that was earned in the first quarter of 2021. The refund was received on March 24, 2022.

## 8 Investment income

	2022	2021
Interest and dividends	\$ 217,672	\$ 171,488
Net realized gains	–	64,741
Net unrealized gains	(799,768)	94,616
Advisory fees paid	(27,274)	(26,657)
Net investment income	<u>\$ (609,370)</u>	<u>\$ 304,188</u>

## 9 Donated goods and services received

Missionaries seconded from other organizations provide services to Reach Beyond. The fair value of their services is reported as public support in the statement of activities and as an offsetting expense in the statement of activities and the statement of functional expenses:

	2022	2021
Donated missionary services:		
Media	\$ 133,028	\$ 135,893
Healthcare	73,468	32,987
Leadership development	48,556	–
General and administrative	15,072	15,072
Total donated goods and services	<u>\$ 270,124</u>	<u>\$ 183,952</u>

## 10 Foreign operations

	At December 31	
	2022	2021
Cash at financial institutions	\$ 11,420	\$ 24,276
Buildings and improvements	386,570	386,570
Equipment and furniture	4,514	4,514
Vehicles	32,497	32,497
Accumulated depreciation	(308,828)	(292,396)
Total assets	<u>\$ 126,173</u>	<u>\$ 155,461</u>
Contributions	\$ 24,455	\$ 43,422
Donated goods and services	–	–
Total support and revenue	<u>\$ 24,455</u>	<u>\$ 43,422</u>

The political situation in foreign countries can be unstable. Although management believes that the value of foreign assets is not impaired, changes in circumstances could affect their value.

## 11 Administrative assessments and joint costs

### 11.1 Administrative assessments

Reach Beyond charges a 12% assessment on donor contributions to cover the costs of its Support Ministry Fund (SMF) and Regional Ministry Fund (RMF). The funds provided by the assessments are budgeted and administered carefully to ensure good stewardship.

	2022	2021
Administrative assessments:		
On missionary donations	\$ 515,046	\$ 524,300
On project donations	101,815	124,591
Total administrative assessments	616,861	649,891
Assessments on projects without donor restrictions	(12,311)	(7,074)
Assessments on projects with donor restrictions	\$ 604,550	\$ 642,817

### 11.2 Joint costs

Reach Beyond incurs costs that are not readily identifiable with a particular activity. Joint costs, which primarily relate to missionaries on home ministry assignment, have been allocated in the statement of activities:

	2022	2021
Program services	\$ 49,977	\$ 57,002
General and administrative	24,989	28,501
Fundraising	49,977	57,002
Total joint costs	\$ 124,943	\$ 142,505

## 12 Leases and other commitments

### 12.1 Leases

During 2022 and 2021 Reach Beyond had no operating leases with initial or remaining lease terms longer than one year.

### 12.2 Other commitments

On December 3, 2019, the Reach Beyond Finance and Audit Committee approved a four year contract totaling \$84,151 for donor software and related services, however, the software change did not meet expectations and Reach Beyond decided not to proceed with the project.

## 13 Employee benefit plans

### 13.1 Defined contribution pension plan

All Reach Beyond missionaries and full-time U.S. employees are eligible for the HCJB Global 401(k) Plan which provides for a monthly employer contribution of \$120 and allows elective employee contributions. Employer contributions were \$127,614 and \$136,560 for 2022 and 2021, respectively.

### 13.2 Medical benefits

Medical benefits for Reach Beyond missionaries and all U.S. employees are provided under a fully insured plan. A fully insured plan transfers all of the risk onto the carrier in exchange for a flat monthly premium.

### 13.3 Other retirement payments

Reach Beyond makes payments to missionaries who reach the age and years of service specified in the *Missionary Manual*. Payments may include both a non-taxable clergy housing allowance and taxable wages. All payments are capped at a percentage of the support schedule for a Colorado Springs missionary and are limited to amounts available in the retiree's ministry fund. Reach Beyond management reserves the right to discontinue the payments at any time.

Payments totaling \$903,632 were made to 70 retired missionaries in 2022. In 2021, 74 retired missionaries received a total of \$1,018,043.

## 14 Liquidity and availability of financial assets

The following financial assets were available to meet cash needs for general expenditures:

	At December 31	
	2022	2021
Cash and cash equivalents	\$ 2,529,838	\$ 2,130,374
Accounts receivable	75,092	87,475
Certificates of deposit	1,404,597	603,599
Investments	5,636,076	6,297,029
Assets under charitable gift annuity agreements	3,122,211	3,969,444
Total financial assets	12,767,814	13,087,921
Amounts unavailable for general expenditures within one year:		
Net assets with purpose restrictions	(6,015,261)	(5,263,016)
Reserves required by state annuity regulations (Note 6)	(2,216,233)	(2,391,052)
Financial assets available to meet cash needs for general expenditures within one year	4,536,320	5,433,853
Financial assets available with board approval:		
Unreserved assets under charitable gift annuity agreements	(905,977)	(1,578,392)
Assets reserved for software purchases	(84,151)	(84,151)
Financial assets available to meet cash needs within one year without board approval	\$ 3,546,192	\$ 3,771,310

#### **14 Liquidity and availability of financial assets, continued**

Reach Beyond has an investment committee which monitors cash balances and its investment guidelines provide for maintaining 90 days of cash and short-term investments to meet normal operating expenses which average approximately \$410,000 per quarter for general expenditures and \$1,390,000 per quarter for expenditures paid from restricted funds.

Reach Beyond receives contributions designated to support missionaries or for specific projects. Reach Beyond tracks how the funds are used to ensure that it complies with donor intent. Unexpended funds are not available to meet general expenditures.

As disclosed in Note 4, investments are publicly traded and are readily convertible to cash, therefore Reach Beyond management believes that adequate resources are available to meet cash needs for general expenditures and to satisfy obligations as they become due.

As discussed in Note 6, Reach Beyond had assets related to charitable gift annuity agreements which exceeded legal reserve requirements by \$905,977 and \$1,578,392 for 2022 and 2021, respectively. Although this excess is not legally restricted, it is Reach Beyond's policy to not use these resources for general expenditures and they are excluded from the available financial assets listed above. These excess funds could be used for general expenditures if the board of trustees granted approval.

#### **15 Restatements in 2021 comparative information**

The 2021 financial statements and related disclosures which are included in this report for comparative purposes have been restated to eliminate transactions involving Fundación Voz y Manos – Ecuador, whose operations were consolidated with Reach Beyond through August 5, 2021. No restatement was necessary for balances at December 31, 2021.