



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

**Financial statements for the years ended  
December 31, 2023 and 2022**

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## INDEPENDENT AUDITORS' REPORT

The 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 (Reach Beyond), which comprise the statements of financial position as of December 31, 2023 and 2022 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 Reach Beyond, as of December 31, 2023 and 2022 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 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 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 Reach Beyond'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 Reach Beyond'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, 2024

World Radio Missionary Fellowship, Inc., dba Reach Beyond  
 Statements of Financial Position  
 December 31, 2023 and 2022

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	<u>2023</u>	<u>2022</u>
Assets:		
Cash and cash equivalents	\$ 1,817,989	\$ 2,529,838
Accounts receivable	5,625	75,092
Prepayments and other assets	27,027	23,826
Certificates of deposit	1,763,619	1,404,597
Investments	5,662,293	5,636,076
Property and equipment	285,808	275,347
Assets under charitable gift annuity agreements	<u>3,268,026</u>	<u>3,122,211</u>
 Total assets	 <u>\$ 12,830,387</u>	 <u>\$ 13,066,987</u>
Liabilities and net assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 141,921	\$ 149,523
Donations payable	10,065	-
Liabilities under charitable gift annuity agreements	<u>1,375,337</u>	<u>1,818,471</u>
 Total liabilities	 <u>1,527,323</u>	 <u>1,967,994</u>
Net assets:		
With donor restrictions:		
Missionary support	3,434,821	3,851,813
Projects	<u>1,979,681</u>	<u>2,163,448</u>
 Total net assets with donor restrictions	 <u>5,414,502</u>	 <u>6,015,261</u>
Without donor restrictions:		
Designated by the board - annuity reserves	1,892,689	1,303,740
Designated by the board - software reserves	-	84,151
Undesignated	<u>3,995,873</u>	<u>3,695,841</u>
 Total net assets without donor restrictions	 <u>5,888,562</u>	 <u>5,083,732</u>
 Total net assets	 <u>11,303,064</u>	 <u>11,098,993</u>
 Total liabilities and net assets	 <u>\$ 12,830,387</u>	 <u>\$ 13,066,987</u>

See notes to financial statements

World Radio Missionary Fellowship, Inc., dba Reach Beyond  
Statements of Activities  
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Public support:						
Contributions	\$ 857,706	\$ 5,667,843	\$ 6,525,549	\$ 1,196,700	\$ 6,829,466	\$ 8,026,166
Donated goods and services	—	335,565	335,565	—	270,124	270,124
Total public support	<u>857,706</u>	<u>6,003,408</u>	<u>6,861,114</u>	<u>1,196,700</u>	<u>7,099,590</u>	<u>8,296,290</u>
Revenue:						
Earnings (loss) on investments	563,617	1,200	564,817	(610,570)	1,200	(609,370)
Media income	—	6,552	6,552	—	6,552	6,552
Change in value of charitable gift annuity agreements	574,166	—	574,166	(706,910)	—	(706,910)
Other income	19,485	14,590	34,075	39,041	8,687	47,728
Total revenue	<u>1,157,268</u>	<u>22,342</u>	<u>1,179,610</u>	<u>(1,278,439)</u>	<u>16,439</u>	<u>(1,262,000)</u>
Total public support and revenue	<u>2,014,974</u>	<u>6,025,750</u>	<u>8,040,724</u>	<u>(81,739)</u>	<u>7,116,029</u>	<u>7,034,290</u>
Net assets released:						
Purpose restrictions	6,052,937	(6,052,937)	—	5,759,234	(5,759,234)	—
Administrative assessments	573,572	(573,572)	—	604,550	(604,550)	—
Total net assets released	<u>6,626,509</u>	<u>(6,626,509)</u>	<u>—</u>	<u>6,363,784</u>	<u>(6,363,784)</u>	<u>—</u>
Expenses:						
Program services:						
Media	2,048,934	—	2,048,934	2,128,861	—	2,128,861
Healthcare	1,455,520	—	1,455,520	1,224,025	—	1,224,025
Leadership development	1,352,144	—	1,352,144	1,306,196	—	1,306,196
Missions awareness	1,139,281	—	1,139,281	958,456	—	958,456
Total program services	<u>5,995,879</u>	<u>—</u>	<u>5,995,879</u>	<u>5,617,538</u>	<u>—</u>	<u>5,617,538</u>
Supporting activities:						
General and administrative	1,326,721	—	1,326,721	1,334,115	—	1,334,115
Fundraising	514,053	—	514,053	495,866	—	495,866
Total supporting activities	<u>1,840,774</u>	<u>—</u>	<u>1,840,774</u>	<u>1,829,981</u>	<u>—</u>	<u>1,829,981</u>
Total expenses	<u>7,836,653</u>	<u>—</u>	<u>7,836,653</u>	<u>7,447,519</u>	<u>—</u>	<u>7,447,519</u>
Excess (deficiency) of public support and revenue over expenses	804,830	(600,759)	204,071	(1,165,474)	752,245	(413,229)
Net assets, beginning of year	5,083,732	6,015,261	11,098,993	6,249,206	5,263,016	11,512,222
Net assets, end of year	<u>\$ 5,888,562</u>	<u>\$ 5,414,502</u>	<u>\$ 11,303,064</u>	<u>\$ 5,083,732</u>	<u>\$ 6,015,261</u>	<u>\$ 11,098,993</u>

See notes to financial statements

World Radio Missionary Fellowship, Inc., dba Reach Beyond  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2023 and 2022

	2023								
	Program Services					Supporting Activities			
	Media	Healthcare	Leadership	Missions	Subtotal	General and		Subtotal	Total
			Development	Awareness		Administrative	Fundraising		
Expenses:									
Personnel costs	\$ 1,364,078	\$ 827,069	\$ 1,056,608	\$ 955,189	\$ 4,202,944	\$ 964,781	\$ 373,897	\$ 1,338,678	\$ 5,541,622
Materials and supplies	19,510	35,074	5,676	7,677	67,937	34,102	6,081	40,183	108,120
Postage and shipping	5,478	1,890	2,276	5,258	14,902	6,313	9,216	15,529	30,431
Occupancy costs	19,456	9,659	9,492	4,252	42,859	10,444	48,451	58,895	101,754
Printing and public relations	14,795	29,420	11,780	19,449	75,444	15,104	28,932	44,036	119,480
Professional services	166,266	31,720	59,783	25,805	283,574	116,745	17,509	134,254	417,828
Travel	86,454	104,565	78,570	54,246	323,835	46,429	11,571	58,000	381,835
Ministry partner support	367,985	411,407	123,935	66,612	969,939	48,797	10,152	58,949	1,028,888
Donations	—	—	—	—	—	—	7,115	7,115	7,115
Depreciation	—	—	—	—	—	32,319	—	32,319	32,319
Miscellaneous	4,912	4,716	4,024	793	14,445	51,687	1,129	52,816	67,261
Total expenses	<u>\$ 2,048,934</u>	<u>\$ 1,455,520</u>	<u>\$ 1,352,144</u>	<u>\$ 1,139,281</u>	<u>\$ 5,995,879</u>	<u>\$ 1,326,721</u>	<u>\$ 514,053</u>	<u>\$ 1,840,774</u>	<u>\$ 7,836,653</u>

	2022								
	Program Services					Supporting Activities			
	Media	Healthcare	Leadership	Missions	Subtotal	General and		Subtotal	Total
			Development	Awareness		Administrative	Fundraising		
Expenses:									
Personnel costs	\$ 1,347,483	\$ 860,466	\$ 1,143,204	\$ 853,495	\$ 4,204,648	\$ 1,001,515	\$ 359,858	\$ 1,361,373	\$ 5,566,021
Materials and supplies	28,883	32,731	8,808	6,156	76,578	12,048	5,618	17,666	94,244
Postage and shipping	7,554	2,760	3,289	7,392	20,995	7,484	7,405	14,889	35,884
Occupancy costs	24,633	9,263	9,255	3,158	46,309	12,592	55,237	67,829	114,138
Printing and public relations	33,953	22,518	12,346	12,679	81,496	16,230	27,314	43,544	125,040
Professional services	174,902	38,154	20,466	21,842	255,364	100,261	16,303	116,564	371,928
Travel	93,926	86,144	37,214	38,802	256,086	61,549	8,991	70,540	326,626
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	5,019	4,651	724	16,094	55,146	1,018	56,164	72,258
Total expenses	<u>\$ 2,128,861</u>	<u>\$ 1,224,025</u>	<u>\$ 1,306,196</u>	<u>\$ 958,456</u>	<u>\$ 5,617,538</u>	<u>\$ 1,334,115</u>	<u>\$ 495,866</u>	<u>\$ 1,829,981</u>	<u>\$ 7,447,519</u>



	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Received from contributors	\$ 6,494,177	\$ 7,985,418
Received for services	8,822	6,226
Interest and dividends received	512,553	249,430
Miscellaneous receipts	34,075	75,860
Paid to or on behalf of employees and retirees	(5,208,636)	(5,203,995)
Paid to suppliers and service providers	(1,179,570)	(1,043,915)
Ministry partner support and other donations	(1,025,937)	(735,456)
Paid to annuitants	(245,755)	(299,391)
Miscellaneous payments	(15,048)	-
Net cash provided (used) by operating activities	<u>(625,319)</u>	<u>1,034,177</u>
Cash flows from investing activities:		
Purchase of property and equipment	(42,780)	-
Purchases of certificates of deposit	(300,000)	(775,000)
Proceeds from sales of investments	842,348	360,781
Purchases of investments	(586,098)	(220,494)
Net cash used by investing activities	<u>(86,530)</u>	<u>(634,713)</u>
Increase (decrease) in cash and cash equivalents	(711,849)	399,464
Cash and cash equivalents, beginning of year	<u>2,529,838</u>	<u>2,130,374</u>
Cash and cash equivalents, end of year	<u>\$ 1,817,989</u>	<u>\$ 2,529,838</u>
Reconciliation of excess (deficiency) of public support and revenue over expenses to net cash provided (used) by operating activities:		
Excess (deficiency) of public support and revenue over expenses	\$ 204,071	\$ (413,229)
Add (deduct) items not affecting cash:		
Depreciation	32,319	32,826
Receipt of in-kind stock donations	(16,587)	(36,995)
Net unrealized loss (gain) on investments	(249,532)	792,368
Reinvested dividends	(22,878)	(9,778)
Capitalized interest from certificates of deposit	(59,022)	(25,998)
Loss (gain) on assets under charitable gift annuity and trust agreements	(544,066)	608,578
Actuarial loss (gain) on charitable gift annuity and trust agreements	85,716	(81,390)
Matured charitable gift annuity and trust agreements	(130,748)	(68,933)
Decrease in accounts receivable	69,467	12,383
Decrease (increase) in prepayments and other assets	(3,201)	378
Decrease in long-term advances	-	191,356
Decrease in net assets under charitable gift annuity agreements	6,679	19,972
Increase (decrease) in accounts payable and accrued expenses	(7,602)	39,541
Increase (decrease) in donations payable	10,065	(26,902)
Net cash provided (used) by operating activities	<u>\$ (625,319)</u>	<u>\$ 1,034,177</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 (sometimes referred to herein as “the mission”). Reach Beyond is an interdenominational, international Christian mission organization whose goal 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 a board of trustees which sets policies and oversees the activities 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 local 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 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.

### **2.3 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 collection efforts have been exhausted. Management may establish a reserve for uncollectible accounts to absorb possible losses. A reserve, if deemed necessary, is 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.

### **2.4 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.

### **2.5 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.

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, 2023 and 2022.

## 2 Summary of significant accounting policies, continued

### 2.6 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.

### 2.7 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, 2023, 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.

### 2.8 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 lifetime. 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. Reach Beyond was not the beneficiary of any irrevocable charitable remainder trusts at either December 31, 2023 or 2022.

### 2.9 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 Summary of significant accounting policies, continued

### 2.10 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.

### 2.11 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; 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.

### 2.12 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).

### 2.13 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 Summary of significant accounting policies, continued

### 2.14 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.

### 2.15 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 agreements, the allocation of functional expenses, the fair value of services for seconded missionaries, and useful lives for depreciation.

### 2.16 Subsequent events

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

## 3 Cash and cash equivalents

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

	At December 31	
	2023	2022
Deposits per financial institutions	\$ 567,887	\$ 521,504
Less insured amounts	(250,000)	(250,000)
Uninsured deposits per financial institutions	317,887	271,504
Money market funds (uninsured)	1,126,293	1,626,778
Total uninsured cash and cash equivalents	<u>\$ 1,444,180</u>	<u>\$ 1,898,282</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.

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

At December 31, 2023 and 2022, 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.

##### 4.1 Fair value of investments:

	At December 31	
	2023	2022
Mutual funds:		
Common stocks — growth	\$ 82,395	\$ 87,033
Common stocks — international	445,010	348,760
Common stocks — value	134,814	138,568
Fixed income	3,036,990	2,687,239
Real estate investment trusts	170,443	145,129
	<u>3,869,652</u>	<u>3,406,729</u>
Exchange traded funds:		
Common stocks — growth	288,186	227,388
Common stocks — value	423,534	449,184
Fixed income	1,080,921	1,552,775
	<u>1,792,641</u>	<u>2,229,347</u>
Total investments at fair value	<u>\$ 5,662,293</u>	<u>\$ 5,636,076</u>

##### 4.2 Fair value of assets under charitable gift annuity agreements:

	At December 31	
	2023	2022
Mutual funds:		
Common stocks — growth	\$ 87,074	\$ 76,491
Common stocks — international	580,267	399,734
Common stocks — value	136,299	112,288
Fixed income	939,613	673,907
Real estate investment trusts	155,667	135,240
	<u>1,898,920</u>	<u>1,397,660</u>
Exchange traded funds:		
Common stocks — blended	20,070	122,985
Common stocks — growth	346,870	288,074
Common stocks — international	44,161	39,354
Common stocks — value	477,636	383,469
Fixed income	162,733	520,478
Real estate investment trusts	19,164	16,764
	<u>1,070,634</u>	<u>1,371,124</u>

(Continued on the next page)



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

(Fair value of assets under charitable gift annuity agreements, continued)

	At December 31	
	2023	2022
U.S. treasury notes:		
Aaa credit rating	175,430	140,267
Assets at fair value	3,144,984	2,909,051
Assets at cost:		
Cash and cash equivalents	123,042	213,160
Total assets under charitable gift annuity agreements	<u>\$ 3,268,026</u>	<u>\$ 3,122,211</u>

#### 5 Property and equipment

	At December 31	
	2023	2022
Land	\$ 100,000	\$ 100,000
Construction in progress	42,780	–
Buildings and improvements	1,265,191	1,265,191
Equipment, vehicles, and furniture	267,368	267,368
Accumulated depreciation	(1,389,531)	(1,357,212)
Total property and equipment	<u>\$ 285,808</u>	<u>\$ 275,347</u>

Depreciation expense was \$32,319 and \$32,826 for 2023 and 2022, respectively.

#### 6 Charitable gift annuity agreements

	At December 31	
	2023	2022
Assets:		
Cash and cash equivalents	\$ 123,042	\$ 213,160
Mutual funds, index funds, and exchange-traded funds	2,969,554	2,768,784
U.S. treasury notes	175,430	140,267
Total assets under charitable gift annuity agreements	3,268,026	3,122,211
Liabilities under charitable gift annuity agreements	(1,375,337)	(1,818,471)
Net assets under charitable gift annuity agreements	<u>\$ 1,892,689</u>	<u>\$ 1,303,740</u>

Some states in which annuities are issued require charitable organizations to follow investment guidelines and maintain minimum reserves. At December 31, 2023 and 2022, 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 \$1,677,405 and \$905,977 at December 31, 2023 and 2022, respectively.

## 6 Charitable gift annuity agreements, continued

	2023	2022
Change in value during the year:		
Interest and dividends received and reinvested	\$ 93,645	\$ 74,758
Net realized gains (losses)	158,640	(296)
Net unrealized gains (losses)	544,066	(608,578)
Actuarial change in projected amounts payable	(85,716)	81,390
Matured agreements	130,748	68,932
Custodial and management fees	(21,462)	(23,725)
Payments to annuitants	(245,755)	(299,391)
Change in value of charitable gift annuity agreements	<u>\$ 574,166</u>	<u>\$ (706,910)</u>

## 7 Earnings (loss) on investments

	2023	2022
Interest and dividends	\$ 317,785	\$ 217,672
Net realized gains (losses)	24,383	(7,400)
Net unrealized gains	249,532	(792,368)
Advisory fees paid	(26,883)	(27,274)
Net investment income	<u>\$ 564,817</u>	<u>\$ (609,370)</u>

## 8 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:

	2023	2022
Donated missionary services:		
Media	\$ 211,095	\$ 133,028
Healthcare	86,813	73,468
Leadership development	33,889	48,556
General and administrative	3,768	15,072
Total donated goods and services	<u>\$ 335,565</u>	<u>\$ 270,124</u>

## 9 Foreign operations

	At December 31	
	2023	2022
Cash at financial institutions	\$ 10,404	\$ 11,420
Buildings and improvements	386,570	386,570
Equipment and furniture	4,514	4,514
Vehicles	32,497	32,497
Accumulated depreciation	(308,828)	(308,828)
Total assets	<u>\$ 125,157</u>	<u>\$ 126,173</u>
Contributions	\$ 15,486	\$ 24,455
Donated goods and services	—	—
Total support and revenue	<u>\$ 15,486</u>	<u>\$ 24,455</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.

## 10 Administrative assessments and joint costs

### 10.1 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.

	2023	2022
Administrative assessments:		
On missionary donations	\$ 463,233	\$ 515,046
On project donations	131,517	101,815
Total administrative assessments	594,750	616,861
Assessments on projects without donor restrictions	(21,177)	(12,311)
Assessments on projects with donor restrictions	<u>\$ 573,573</u>	<u>\$ 604,550</u>

### 10.2 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:

	2023	2022
Program services	\$ 58,980	\$ 49,977
General and administrative	29,490	24,989
Fundraising	58,980	49,977
Total joint costs	<u>\$ 147,450</u>	<u>\$ 124,943</u>

## 11 Leases and other commitments

During 2023 and 2022 Reach Beyond had no operating leases with initial or remaining lease terms longer than one year.

A board-designated reserve of \$84,151 for donor software and related services was removed in 2023 after management decided not to proceed with the project.

## 12 Employee benefit plans

### 12.1 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 \$116,059 and \$127,614 for 2023 and 2022, respectively.

### 12.2 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.

### 12.3 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 \$864,699 were made to 63 retired missionaries in 2023. In 2022, 70 retired missionaries received a total of \$903,632.

## 13 Liquidity and availability of financial assets

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

	At December 31	
	2023	2022
Cash and cash equivalents	\$ 1,817,989	\$ 2,529,838
Accounts receivable	5,625	75,092
Certificates of deposit	1,763,619	1,404,597
Investments	5,662,293	5,636,076
Assets under charitable gift annuity agreements	3,268,026	3,122,211
Total financial assets	12,517,552	12,767,814
Amounts unavailable for general expenditures within one year:		
Net assets with purpose restrictions	(5,414,502)	(6,015,261)
Reserves required by state annuity regulations (Note 6)	(1,590,621)	(2,216,233)
Financial assets available to meet cash needs for general expenditures within one year	5,512,429	4,536,320
Financial assets available with board approval:		
Unreserved assets under charitable gift annuity agreements	(1,677,405)	(905,977)
Assets reserved for software purchases	—	(84,151)
Financial assets available to meet cash needs within one year without board approval	\$ 3,835,024	\$ 3,546,192

### **13 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 \$420,000 per quarter for general expenditures and \$1,455,000 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 \$1,677,405 and \$905,977 for 2023 and 2022, 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.

### **14 Reclassifications in 2022 comparative information to conform with current year presentation**

Reclassifications were made on the 2022 statement of activities, the 2022 statement of functional expenses, and the 2022 statement of cash flows. The reclassifications had no effect on total expenses or net cash provided by operating activities.

In Note 3, 2022 deposits per financial institutions and insured amounts decreased by \$25,766 and uninsured money market funds and total uninsured cash and cash equivalents decreased by \$131,990.