# TEACHBEYOND, INC.

## FINANCIAL STATEMENTS

## YEARS ENDED DECEMBER 31, 2021 AND 2020



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**TEACHBEYOND, INC.**
**TABLE OF CONTENTS**
**YEARS ENDED DECEMBER 31, 2021 AND 2020**


| | |
|---|---|
| **INDEPENDENT AUDITORS' REPORT** | **1** |
| **FINANCIAL STATEMENTS** | |
| **STATEMENTS OF FINANCIAL POSITION** | **3** |
| **STATEMENTS OF ACTIVITIES** | **4** |
| **STATEMENTS OF FUNCTIONAL EXPENSES** | **5** |
| **STATEMENTS OF CASH FLOWS** | **7** |
| **NOTES TO FINANCIAL STATEMENTS** | **8** |

CliftonLarsonAllen LLP
CLAconnect.com

# INDEPENDENT AUDITORS' REPORT

Board of Directors
TeachBeyond, Inc.
Downers Grove, Illinois

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of TeachBeyond, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, 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 TeachBeyond, Inc. as of December 31, 2021 and 2020, and the changes 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 TeachBeyond, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TeachBeyond, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS 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 GAAS, 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 TeachBeyond, Inc.'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 TeachBeyond, Inc.'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.

CliftonLarsonAllen LLP

**CliftonLarsonAllen LLP**

Oak Brook, Illinois
August 10, 2022

**TEACHBEYOND, INC.**
**STATEMENTS OF FINANCIAL POSITION**
**DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash Equivalents | $ 5,217,310 | $ 3,017,904 |
| Cash Held for Black Forest Academy | 31,498 | 32,250 |
| Investments | 2,627,958 | 2,465,037 |
| Accounts Receivable, Net | 14,675 | 22,130 |
| Prepaid Expenses and Other Assets | 190,266 | 160,821 |
| Due from Related Parties | 171,587 | 325,136 |
| Investment in German Entities | 210,928 | 115,771 |
| Property and Equipment, Net | - | 387,250 |
| Total Assets | $ 8,464,222 | $ 6,526,299 |
| **LIABILITIES AND NET ASSETS** | | |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Expenses | $ 232,975 | $ 115,452 |
| Due to Black Forest Academy | 31,498 | 32,250 |
| Due to Related Party | 34,641 | 36,060 |
| Total Liabilities | 299,114 | 183,762 |
| **NET ASSETS** | | |
| Without Donor Restrictions: | | |
| Undesignated | 891,369 | 749,999 |
| Board-Designated | 665,975 | 116,000 |
| With Donor Restrictions | 6,607,764 | 5,476,538 |
| Total Net Assets | 8,165,108 | 6,342,537 |
| Total Liabilities and Net Assets | $ 8,464,222 | $ 6,526,299 |

*See accompanying Notes to Financial Statements.*

# TEACHBEYOND, INC.
# STATEMENTS OF ACTIVITIES
# YEARS ENDED DECEMBER 31, 2021 AND 2020

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Net Assets Without Restrictions | Net Assets With Restrictions | Total | Net Assets Without Restrictions | Net Assets With Restrictions | Total |
| **SUPPORT AND REVENUE** | | | | | | |
| Contributions | $ 214,440 | $ 13,853,351 | $ 14,067,791 | $ 148,673 | $ 13,009,427 | $ 13,158,100 |
| Investment Income | 181,685 | 1,169 | 182,854 | 307,956 | - | 307,956 |
| Rental Income | 43,740 | - | 43,740 | 58,320 | - | 58,320 |
| Gain on Sale of Building | 484,641 | - | 484,641 | - | - | - |
| Income from Investment in German Entities | 95,157 | - | 95,157 | 90,243 | - | 90,243 |
| Miscellaneous | 19,458 | - | 19,458 | 18,904 | 74,726 | 93,630 |
| Total Support and Revenue | 1,039,121 | 13,854,520 | 14,893,641 | 624,096 | 13,084,153 | 13,708,249 |
| **RECLASSIFICATIONS** | | | | | | |
| Administrative Allocation | 1,372,835 | (1,372,835) | - | 1,352,981 | (1,352,981) | - |
| Satisfaction of Purpose Restrictions | 11,350,459 | (11,350,459) | - | 10,125,857 | (10,125,857) | - |
| Total Reclassifications | 12,723,294 | (12,723,294) | - | 11,478,838 | (11,478,838) | - |
| Total Revenues | 13,762,415 | 1,131,226 | 14,893,641 | 12,102,934 | 1,605,315 | 13,708,249 |
| **EXPENSES** | | | | | | |
| Program Services: | | | | | | |
| Missionary Support and Related Program Expenses | 11,236,065 | - | 11,236,065 | 9,951,494 | - | 9,951,494 |
| Support Services: | | | | | | |
| Management and General | 871,747 | - | 871,747 | 858,219 | - | 858,219 |
| Fundraising and Development | 963,258 | - | 963,258 | 832,199 | - | 832,199 |
| Total Support Services | 1,835,005 | - | 1,835,005 | 1,690,418 | - | 1,690,418 |
| Total Expenses | 13,071,070 | - | 13,071,070 | 11,641,912 | - | 11,641,912 |
| **CHANGE IN NET ASSETS** | 691,345 | 1,131,226 | 1,822,571 | 461,022 | 1,605,315 | 2,066,337 |
| Net Assets – Beginning of Year | 865,999 | 5,476,538 | 6,342,537 | 404,977 | 3,871,223 | 4,276,200 |
| **NET ASSETS – END OF YEAR** | $ 1,557,344 | $ 6,607,764 | $ 8,165,108 | $ 865,999 | $ 5,476,538 | $ 6,342,537 |

*See accompanying Notes to Financial Statements.*

**TEACHBEYOND, INC.**
**STATEMENT OF FUNCTIONAL EXPENSES**
**YEAR ENDED DECEMBER 31, 2021**

| | Program Services | Supporting Services | | |
|---|---|---|---|---|
| | Missionary Support and Related Program Expenses | Management and General | Fundraising and Development | Total |
| Missionary and Director Salaries | $ 7,708,348 | $ 79,110 | $ 625,821 | $ 8,413,279 |
| Salaries and Wages | 524,740 | 516,713 | 87,799 | 1,129,252 |
| Employee Benefits | 748,999 | 23,109 | 60,020 | 832,128 |
| Payroll Taxes | 545,864 | 32,625 | 45,936 | 624,425 |
| Global Operations | 74,119 | - | - | 74,119 |
| Education | 77,512 | - | - | 77,512 |
| Service and Field Expense | 1,443,018 | - | 116,281 | 1,559,299 |
| Fees for Services: | | | | |
| Bank Charges | - | 34,525 | - | 34,525 |
| Insurance | - | 29,315 | - | 29,315 |
| Professional | 8,700 | 8,700 | - | 17,400 |
| Information Technology | - | 30,134 | - | 30,134 |
| Occupancy and Office Expense | 10,404 | 58,594 | 966 | 69,964 |
| Communication and Training | 26,808 | 5,473 | 26,435 | 58,716 |
| Mobilization | 59,132 | - | - | 59,132 |
| Depreciation | 2,738 | 10,953 | - | 13,691 |
| Miscellaneous Expenses | 5,683 | 42,496 | - | 48,179 |
| Total Functional Expenses | $ 11,236,065 | $ 871,747 | $ 963,258 | $ 13,071,070 |

*See accompanying Notes to Financial Statements.*

**TEACHBEYOND, INC.**
**STATEMENT OF FUNCTIONAL EXPENSES**
**YEAR ENDED DECEMBER 31, 2020**

| | Program Services | Supporting Services | | |
|---|---|---|---|---|
| | Missionary Support and Related Program Expenses | Management and General | Fundraising and Development | Total |
| Missionary and Director Salaries | $ 6,845,729 | $ 68,435 | $ 556,976 | $ 7,471,140 |
| Salaries and Wages | 484,739 | 443,912 | 62,769 | 991,420 |
| Employee Benefits | 769,754 | 21,226 | 62,865 | 853,845 |
| Payroll Taxes | 479,409 | 29,171 | 40,371 | 548,951 |
| Global Operations | 75,955 | - | - | 75,955 |
| Education | 44,480 | - | - | 44,480 |
| Service and Field Expense | 1,145,815 | - | 92,536 | 1,238,351 |
| Fees for Services: | | | | |
| Bank Charges | - | 13,222 | - | 13,222 |
| Insurance | - | 27,727 | - | 27,727 |
| Professional | 11,320 | 11,320 | - | 22,640 |
| Information Technology | - | 110,233 | - | 110,233 |
| Occupancy and Office Expense | 13,448 | 61,615 | 1,451 | 76,514 |
| Communication and Training | 15,691 | 7,081 | 15,231 | 38,003 |
| Mobilization | 61,364 | - | - | 61,364 |
| Depreciation | 3,790 | 15,161 | - | 18,951 |
| Miscellaneous Expenses | - | 49,116 | - | 49,116 |
| Total Functional Expenses | $ 9,951,494 | $ 858,219 | $ 832,199 | $ 11,641,912 |

*See accompanying Notes to Financial Statements.*

**TEACHBEYOND, INC.**
**STATEMENTS OF CASH FLOWS**
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | 2021 | 2020 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Change in Net Assets | $ 1,822,571 | $ 2,066,337 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | 13,691 | 18,951 |
| Realized/Unrealized Gain on Investments | (123,011) | (268,541) |
| Change in Value in German Entities | (95,157) | (90,243) |
| Gain on Sale of Building | (484,641) | - |
| Change in Assets and Liabilities: | | |
| Accounts Receivable and Due from Related Party | 7,455 | 173 |
| Prepaid Expenses | (29,445) | (81,344) |
| Restricted Cash | (752) | (1,225) |
| Accounts Payable and Due to Related Party | 269,653 | (115,142) |
| Net Cash Provided by Operating Activities | 1,380,364 | 1,528,966 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchases of Investments | (1,107,928) | (2,466,585) |
| Proceeds From Sales of Investments | 1,068,018 | 2,789,648 |
| Net Proceeds on Sale of Building | 858,200 | - |
| Net Cash Provided by Investing Activities | 818,290 | 323,063 |
| **NET INCREASE IN CASH, CASH EQUIVALENTS, AND CASH HELD FOR BLACK FOREST ACADEMY** | 2,198,654 | 1,852,029 |
| Cash, Cash Equivalents, and Cash Held for Black Forest Academy - Beginning of Year | 3,050,154 | 1,198,125 |
| **CASH, CASH EQUIVALENTS, AND CASH HELD FOR BLACK FOREST ACADEMY - END OF YEAR** | $ 5,248,808 | $ 3,050,154 |
| **SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION** | | |
| Cash and Cash Equivalents: | | |
| Cash and Cash Equivalents | $ 5,217,310 | $ 3,017,904 |
| Cash Held for Black Forest Academy | 31,498 | 32,250 |
| Total Cash, Cash Equivalents, and Cash Held for Black Forest Academy | $ 5,248,808 | $ 3,050,154 |

*See accompanying Notes to Financial Statements.*

## NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

### Organization

TeachBeyond, Inc. (TeachBeyond) is a nonprofit, inter-denominational, foreign ministry organization established to provide transformational education to children and adults. TeachBeyond has an associate relationship and in some cases maintains a working relationship with incorporated charitable trusts in the following countries: Canada, Germany, France, United Kingdom, Portugal, Belarus, and Switzerland. There are also teaching activities that take place in other parts of Europe as well as Asia, Africa, and South America.

Some of the TeachBeyond board members serve on the board of a related Canadian corporation also called TeachBeyond, Inc. This facilitates the flow of information and coordination of missionary activity between the American and Canadian corporations. Each of the boards has the legal right to hold title to property and mission facilities in the respective countries. Thus, periodically the United States of America board authorizes the donation (i.e., transfer) of project funding from the United States to joint missionary projects in other countries as part of its worldwide missionary program activity.

### Basis of Accounting

Revenues and expenses are recorded on the accrual basis of accounting.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

### Cash and Cash Equivalents

TeachBeyond considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

At times, TeachBeyond's cash balances may exceed federally insured limits; however, TeachBeyond has not experienced any losses in such accounts and limits its exposure to credit risk by maintaining its cash and cash equivalents in highly reputable financial institutions.

### Investments

TeachBeyond carries its investments in a balanced allocation mutual fund at fair value, stocks at fair value and certificates of deposit at cost plus interest earned.

Investment income is included in the change in net assets without donor restrictions and net assets with donor restrictions, according to donor stipulations in the accompanying statements of activities and consists of interest and dividend income and realized and unrealized capital gains and losses.

## NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Receivables and Credit Policies

Accounts receivable represent interest receivable, donations, and miscellaneous reimbursements that are generally due when paid. The carrying amounts of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will be collected. Management reviews individual accounts receivable balances and based on an assessment of current credit worthiness, estimates the portion, if any, of the balance that will not be collected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for losses. As of December 31, 2021 and 2020, TeachBeyond has determined an allowance is not necessary as all items are deemed fully collectible.

### Property and Equipment

Beginning September 1, 2018, fixed assets in excess of $3,000 are capitalized at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three years for equipment and software, five years for furniture and 30 years for buildings. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities.

Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as they are incurred. Assets purchased by TeachBeyond on behalf of a missionary are deemed to be TeachBeyond's for their useful life, but are not capitalized.

### Impairment of Long-Lived Assets

TeachBeyond reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

### Net Assets

TeachBeyond is required to report information regarding its financial position and activities according to two classes of net assets defined as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions are available to finance the general operations of TeachBeyond. The only limits on their use are the broad limits resulting from the nature of TeachBeyond, the environment in which it operates and the purposes specified in the articles of incorporation. TeachBeyond's board has designated, from net assets without donor restrictions, net assets for COVID assistance.

## NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Net Assets (Continued)

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of TeachBeyond and/or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 31, 2021 and 2020, TeachBeyond has no net assets subject to perpetual donor restrictions.

### Revenue Recognition

Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Contributions that are donor-restricted support are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as “satisfaction of purpose restrictions”. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Revenues from nonexchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional, nonexchange transactions are recognized when the barrier is satisfied. Amounts received prior to satisfaction of the barrier are included in deferred revenue in the statements of financial position. For the years ended December 31, 2021 and 2020, no amounts were received with such conditions.

TeachBeyond assesses a 3% to 12% fee on missionary and project contributions received to cover certain administrative costs incurred. Such fees totaled $1,372,835 and $1,352,981 for the years ended December 31, 2021 and 2020, respectively. All other revenue is recognized when earned.

Rental Income

TeachBeyond previously leased a portion of the building sold in 2021 to an unrelated third party under operating leases with terms of one year. Rents received in advance would be deferred. Total rental income is reported on the statements of activities as “rental income.”

## NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Accordingly, global finance, global leadership, missionary salaries, related benefits, direct travel costs, or costs incurred for direct service or field are allocated to program. Other costs including human resources, information technology, office supplies, and board costs are allocated directly to management and general. Occupancy costs including depreciation are allocated based on a square footage basis while the president's office as well as certain directors are allocated based on time and effort.

### Income Taxes

TeachBeyond, a New York nonprofit corporation, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any.

TeachBeyond has adopted the requirements for uncertain tax positions. TeachBeyond has determined that it is not required to record a liability related to uncertain tax positions for the years ended December 31, 2021 and 2020.

TeachBeyond is not required to file Form 990, *Return of Organization Exempt from Income Tax,* with the Internal Revenue Service or related state filings as a church-affiliated foreign ministry organization.

## NOTE 2 FAIR VALUE MEASUREMENTS AND DISCLOSURES

TeachBeyond reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that TeachBeyond can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

## NOTE 2 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

*Level 3* – Unobservable inputs for the asset or liability. In these situations, TeachBeyond develops inputs using the best information available in the circumstances.

All investment assets are comprised of open-end mutual funds and stocks with readily determinable fair values based on daily redemption values (all Level 1 investments) and certificates of deposit recorded at cost at December 31, as summarized below:

| | 2021 | | |
|---|---|---|---|
| | Fair Value | Cost | Unrealized Gain |
| Investments: | | | |
| Certificates of Deposit (at Cost) | $ 100,000 | $ 100,000 | $ - |
| Stocks | 869,563 | 530,080 | 339,483 |
| Mutual Fund | 1,658,395 | 1,609,639 | 48,756 |
| Total | $ 2,627,958 | $ 2,239,719 | $ 388,239 |

| | 2020 | | |
|---|---|---|---|
| | Fair Value | Cost | Unrealized Loss |
| Investments: | | | |
| Certificates of Deposit (at Cost) | $ 100,000 | $ 100,000 | $ - |
| Stocks | 1,117,941 | 878,806 | 239,135 |
| Mutual Fund | 1,247,096 | 1,138,100 | 108,996 |
| Total | $ 2,465,037 | $ 2,116,906 | $ 348,131 |

## NOTE 3 NET INVESTMENT ACTIVITY

Net investment return consists of the following for the years ended December 31:

| | 2021 | 2020 |
|---|---|---|
| Interest and Dividends | $ 59,843 | $ 39,415 |
| Net Realized and Unrealized Gain | 123,011 | 268,541 |
| Total Net Investment Return | $ 182,854 | $ 307,956 |

## NOTE 4 LIQUIDITY

As part of TeachBeyond's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other commitments come due. Financial assets available as of December 31, to meet cash needs for general expenditures and commitments within one year include the following:

| | 2021 | 2020 |
|---|---|---|
| Cash and Cash Equivalents | $ 5,217,310 | $ 3,017,904 |
| Accounts Receivable, Net | 14,675 | 22,130 |
| Due from Related Parties | 171,587 | 325,136 |
| Investments | 2,627,958 | 2,465,037 |
| Subtotal | 8,031,530 | 5,830,207 |
| Net Assets Designated by the Board of Directors | (665,975) | (116,000) |
| Net Assets With Donor Restrictions | (6,607,764) | (5,476,538) |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year | $ 757,791 | $ 237,669 |

## NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

| | 2021 | 2020 |
|---|---|---|
| Building and Improvements | $ - | $ 454,655 |
| Furniture and Equipment | 15,003 | 15,003 |
| Software | 37,899 | 37,899 |
| Total | 52,902 | 507,557 |
| Less: Accumulated Depreciation and Amortization | 52,902 | 120,307 |
| Total Property and Equipment | $ - | $ 387,250 |

Depreciation expense totaled $13,691 and $18,951 for the years ended December 31, 2021 and 2020, respectively.

In October 2021, TeachBeyond sold its building to an unrelated third party for $900,000 resulting in a gain of approximately $484,641 included as a gain on sale of building in the statement of activities.

## NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31:

| | 2021 | 2020 |
|---|---|---|
| Restricted by Donors for: | | |
| Beyond Borders | $ 80,098 | $ 15,814 |
| Beyond Borders Ethiopia | 35,519 | 16,607 |
| Beyond Borders Lesvos Project | 12,906 | 34,892 |
| Black Forest Academy | 1,294 | 22,472 |
| Bridgeway COVID-19 Assistance Fund | - | 11,330 |
| B.F. Christian Fellowship | 18,614 | 33,158 |
| Christian International School of Prague | 25,860 | 22,103 |
| CISP Scholarship Fund | 58,418 | 41,377 |
| Crowell Funding | 37,227 | - |
| Friends of BFA Endowment Fund | 32,810 | 42,378 |
| IGA Building for Future | - | 12,066 |
| Kilometers for Kids | 15,476 | - |
| Memorial Fund - Mari Ellen Reeser | 31,473 | - |
| Project Belize Christian Academy | 91 | 52,630 |
| Project Mobilization | 12,614 | - |
| Project Pag-asa | 22,120 | 21,771 |
| Project Tajikistan | 32,950 | - |
| RSI Indonesia | 319,378 | 96,014 |
| TeachBeyond France | 1,071 | 23,323 |
| TeachBeyond Philippines | 21,054 | - |
| OSWW | 27,433 | 14,590 |
| Wave Scholars: Conafe School La Mision | 26,138 | - |
| William Carey Academy | 11,884 | - |
| William Carey Free School | 18,213 | - |
| School and Project COVID-19 Assistance Fund | 17,940 | 17,940 |
| Sparrow Project Fund | 11,298 | - |
| Other Projects, Partnerships, and Services | 58,560 | 93,736 |
| Missionaries | 5,677,325 | 4,904,337 |
| Total Net Assets With Donor Restrictions | $ 6,607,764 | $ 5,476,538 |

## NOTE 7 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions as follows:

| | 2021 | 2020 |
|---|---|---|
| Satisfaction of Purpose Restrictions: | | |
| Arbor Christian Academy | $ 9,254 | $ 9,254 |
| Beyond Borders | 7,173 | - |
| Beyond Borders Ethiopia | 35,356 | 18,741 |
| Beyond Borders Lesvos Project | 32,666 | 15,769 |
| Black Forest Academy | 32,628 | 15,670 |
| B.F. Christian Fellowship | - | 24,474 |
| Christian International School of Prague | 240 | 226 |
| CISP Scholarship Fund | 25,024 | 33,142 |
| Friends of BFA Endowment Fund | 12,697 | 7,750 |
| Kilometers for Kids | 15,476 | - |
| Project Belize Christian Academy | 61,165 | 24,428 |
| Project FATEB | - | 43,828 |
| Project Pag-asa | 9,351 | 12,345 |
| Project Mobilization | 6,825 | 16,542 |
| Project Tajikistan | 26,810 | - |
| RSI Indonesia | 14,257 | 23,633 |
| Sparrow Project Fund | 1,221 | - |
| TeachBeyond France | 57,887 | 17,744 |
| Wave Scholars: Conafe School La Mision | 1,669 | |
| William Carey | 475 | - |
| OSWW | 2,369 | 1,172 |
| Other Projects, Partnerships, and Services | 156,577 | 246,134 |
| Missionaries | 10,841,339 | 9,615,005 |
| Total | $ 11,350,459 | $ 10,125,857 |

## NOTE 8 EMPLOYEE BENEFITS

All U.S. full-time employees are covered under a 403(b) contributory plan up to 5% of their annual salary. The plan provides that participating members who are paid from a personal support account may elect to have an employer match of up to 5% of their net income paid from their support account. During the year ended December 31, 2021, the employee match continues to be temporarily discontinued. Pension expense for the years ended December 31, 2021 and 2020 was $101,401 and $74,157, respectively.

## NOTE 9 RELATED PARTY TRANSACTIONS

TeachBeyond receives contributions designated for Canadian members and program activities and transfers these to related party, TeachBeyond, Inc., in Canada (TB Canada). For the years ended December 31, 2021 and 2020, TeachBeyond contributed $252,614 and $229,095, respectively, to TB Canada. At December 31, 2021 and 2020, there was $-0- due to TeachBeyond from TB Canada. At December 31, 2021 and 2020, there was $34,641 and $36,060 due to TB Canada from TeachBeyond, respectively. During 2021 and 2020, TeachBeyond received contributions designated for Canadian members and programs activities of $139,143 and $146,688, respectively.

TeachBeyond has a note receivable from related party, TeachBeyond, Inc., in Mexico (TB Mexico) of $15,000 as of December 31, 2021 and 2020. The note receivable dated December 16, 2016 bears interest of 3% and matures on December 16, 2031. Terms of the agreement include no payments for the first three years, interest only payments for the following 12 years with a balloon repayment of interest and principal at maturity.

TeachBeyond has an additional note receivable from TB Mexico of $30,673 as of December 31, 2021 and 2020. The note receivable dated April 30, 2017 bears interest of 3% and matures on April 30, 2032. Terms of the agreement include interest only payments for the following 10 years with a balloon repayment of interest and principal at maturity.

On May 17, 2018, TeachBeyond signed a note receivable from affiliate TeachBeyond Deutschland e.V. (BFA) for $279,463. The note receivable bears no interest and matures on July 31, 2023. Terms of the agreement include no payments until 2020 with payments of principal through maturity. The balance outstanding as of December 31, 2021 and 2020, is $125,914 and $279,463, respectively.

The amounts receivable and payable as reflected above are included in due from/to related parties within the statements of financial position.

The amounts receivable at December 31, 2021 and 2020 as reflected above represent 100% and 94%, respectively, of the due from related parties reflected on the statements of financial position.

## NOTE 10 LEASE COMMITMENTS

TeachBeyond had a lease agreement as a lessor with an unrelated third party. The lease provided for annual renewals and was renewed through June 30, 2021. The monthly rentals were $2,060 through June 30, 2020, and $2,060 through June 30, 2021. Rental income for the years ended December 31, 2021 and 2020 of $43,740 and $58,320, respectively, is included on the statements of activities.

TeachBeyond entered into a lease agreement as a tenant with an unrelated third party. The lease is for the period from September 15, 2021 to November 14, 2024 with monthly rentals of $1,528.33.

## NOTE 10 LEASE COMMITMENTS (CONTINUED)

Minimum future lease payments required under all noncancelable operating leases are as follows:

| Year Ending December 31, | Amount |
|---|---|
| 2022 | $ 18,340 |
| 2023 | 18,340 |
| 2024 | 16,812 |
| Total | $ 53,492 |

Total rent expense for the years ending December 31, 2021 and 2020 was $28,341 and $33,600, respectively, and is included in the Occupancy and Office Expense line within the statements of functional expense.

## NOTE 11 INVESTMENT IN GERMAN ENTITIES

TeachBeyond has investments in TeachBeyond Christliche Bildungsinitiativen gGmbH and TeachBeyond GmBH as of December 31, 2021 and 2020. Under the terms of the operating agreement, TeachBeyond acquired one membership unit with its initial capital contribution of, $14,970 and $10,558, respectively, in 2018. Members of the TeachBeyond Christliche Bildungsinitiativen gGmbH and TeachBeyond GmBH are subject to an operating agreement which places limits on the transfer, sale, and dissolution.

TeachBeyond Christliche Bildungsinitiativen and TeachBeyond GmBH's purpose is the promotion of education, religion, and welfare. This is achieved through the realization of a holistic education oriented towards Christian values. The investment by TeachBeyond is in alignment with its mission and provides for additional resources to provide transformational education to children and adults in Germany.

TeachBeyond's 50% and 33% interest in the TeachBeyond Christliche Bildungsinitiativen gGmbH and TeachBeyond GmBH, respectively, is accounted for using the equity method. Under the equity method, the investment is carried at cost and adjusted for TeachBeyond's proportionate share of earnings and losses. As of December 31, 2021, audited financial statements for the period ending December 31, 2020 were available for TeachBeyond Christliche Bildungsinitiativen gGmbH and available for the period ending June 30, 2019 for TeachBeyond GmBH. The investment for TeachBeyond Christliche Bildungsinitiativen gGmbH was adjusted for TeachBeyond's proportionate share of earnings of $95,157 as shown on the statement of activities. The equity investments are shown as Investments in German Entities within the statements of financial position.

## NOTE 11 INVESTMENT IN GERMAN ENTITIES (CONTINUED)

Condensed financial information available on a GAAP basis for the TeachBeyond Christliche Bildungsinitiativen gGmbH and TeachBeyond GmBH, respectively, is as follows at December 31, 2020 and June 30, 2019, respectively:

**TeachBeyond GmBH**

| As of June 30, 2019 | |
|---|---|
| Total Assets | $ 417,212 |
| Total Liabilities | $ 412,324 |
| Equity | $ 4,888 |
| | |
| Total Revenue | $ 502,051 |
| Total Expenses | $ 528,939 |
| Net Loss | $ (26,888) |

**TeachBeyond Christliche Bildungsinitiativen gGmbH**

| As of December 31, 2020 | |
|---|---|
| Total Assets | $ 245,739 |
| Total Liabilities | $ 62,800 |
| Equity | $ 182,939 |
| | |
| Total Revenue | $ 497,774 |
| Total Expenses | $ 499,867 |
| Net Loss | $ (2,093) |

On January 15, 2020, TeachBeyond transferred cash of $7,328 to TeachBeyond GmBH to fund investee losses. This was necessary to allow TeachBeyond GmBH to enter insolvency proceedings effective September 1, 2020. Another payment was made on June 15, 2021, for insolvency expenses. The process of dissolving is in progress with a loss in investment of $43,022 anticipated.

## NOTE 12 PENDING ACCOUNTING PRONOUNCEMENTS

**Leases**

In February 2016, the Financial Accounting Standards Board (FASB) issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for 2022. Management is evaluating the impact of the amended lease guidance on TeachBeyond's financial statements.

## NOTE 13 SUBSEQUENT EVENTS

Management evaluated subsequent events through August 10, 2022, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2021, but prior to August 10, 2022, that provided additional evidence about conditions that existed at December 31, 2021, have been recognized in the financial statements for the year ended December 31, 2021. Events or transactions that provided evidence about conditions that did not exist at December 31, 2021, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2021.




CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.