



**FAR EAST BROADCASTING  
COMPANY**

Financial Statements  
With Independent Auditor's Report

June 30, 2025 and 2024

# FAR EAST BROADCASTING COMPANY

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## INDEPENDENT AUDITOR'S REPORT

Audit Committee  
Far East Broadcasting Company  
Frisco, Texas

### ***Opinion***

We have audited the accompanying financial statements of Far East Broadcasting Company, which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Far East Broadcasting Company, as of June 30, 2025 and 2024, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Far East Broadcasting Company 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 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 Far East Broadcasting Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Audit Committee  
Far East Broadcasting Company  
Frisco, Texas

***Auditor's 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 auditor's 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 Far East Broadcasting Company'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 Far East Broadcasting Company'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.

*Capin Crouse LLC*

Dallas, Texas  
February 10, 2026

# FAR EAST BROADCASTING COMPANY

## Statements of Financial Position

	June 30,	
	2025	2024
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,901,252	\$ 1,081,088
Accounts receivable	203,290	266,133
Funds held in escrow	-	200,000
Prepaid expenses and other assets	132,432	63,343
Estate and trust receivables	406,428	383,732
Investments	20,817,376	14,781,452
Investments held for board designated purposes	3,054,122	2,808,270
Real estate held for sale	-	390,036
Operating lease–right-of-use asset	335,105	438,685
Financing lease–right-of-use assets	38,187	52,171
Property and equipment - at cost, net	29,147	56,620
<b>Total Assets</b>	<b>\$ 26,917,339</b>	<b>\$ 20,521,530</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 241,422	\$ 248,719
Accrued expenses	870,645	559,357
Funds held in escrow liability	-	200,000
Operating lease obligation	338,541	439,385
Financing lease obligations	39,806	53,394
Fiduciary obligations	1,760,797	1,820,400
<b>Total liabilities</b>	<b>3,251,211</b>	<b>3,321,255</b>
<b>Net assets without donor restrictions:</b>		
Undesignated	12,955,495	6,853,271
Board designated	3,054,122	2,808,270
	16,009,617	9,661,541
<b>Net assets with donor restrictions</b>	<b>7,656,511</b>	<b>7,538,734</b>
<b>Total net assets</b>	<b>23,666,128</b>	<b>17,200,275</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 26,917,339</b>	<b>\$ 20,521,530</b>

See notes to financial statements

# FAR EAST BROADCASTING COMPANY

## Statements of Activities

	Year Ended June 30,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND RECLASSIFICATIONS:</b>						
Contributions	\$ 3,785,387	\$ 7,058,059	\$ 10,843,446	\$ 3,373,191	\$ 6,888,301	\$ 10,261,492
Trust and estate income	1,494,054	-	1,494,054	1,356,101	17,647	1,373,748
Broadcast revenue	3,228,585	-	3,228,585	3,006,185	-	3,006,185
Gifts-in-kind - donated air time	88,950	-	88,950	90,900	-	90,900
Gifts-in-kind - other	-	-	-	26,500	-	26,500
Investment income	1,537,285	26,650	1,563,935	1,645,318	27,602	1,672,920
Change in value of fiduciary obligations	(179,531)	-	(179,531)	(76,890)	-	(76,890)
Gain on sale of assets held for sale	7,093,146	-	7,093,146	-	-	-
Other income	4,828	-	4,828	632	-	632
Net assets released from restrictions:						
Satisfaction of program restrictions	6,966,932	(6,966,932)	-	6,035,970	(6,035,970)	-
<b>Total Support, Revenue and Reclassifications</b>	<b>24,019,636</b>	<b>117,777</b>	<b>24,137,413</b>	<b>15,457,907</b>	<b>897,580</b>	<b>16,355,487</b>
<b>EXPENSES:</b>						
Program ministries:						
Broadcast operations	14,643,421	-	14,643,421	13,816,748	-	13,816,748
Supporting activities:						
General and administrative	1,250,384	-	1,250,384	997,498	-	997,498
Fundraising	1,777,755	-	1,777,755	1,390,108	-	1,390,108
Total supporting services	3,028,139	-	3,028,139	2,387,606	-	2,387,606
<b>Total Expenses</b>	<b>17,671,560</b>	<b>-</b>	<b>17,671,560</b>	<b>16,204,354</b>	<b>-</b>	<b>16,204,354</b>
Change in Net Assets	6,348,076	117,777	6,465,853	(746,447)	897,580	151,133
Net Assets, Beginning of Year	9,661,541	7,538,734	17,200,275	10,407,988	6,641,154	17,049,142
Net Assets, End of Year	\$ 16,009,617	\$ 7,656,511	\$ 23,666,128	\$ 9,661,541	\$ 7,538,734	\$ 17,200,275

See notes to financial statements

# FAR EAST BROADCASTING COMPANY

## Statements of Functional Expenses

by Natural Classification

	Year Ended June 30, 2025			
	Broadcast Operations	General and Administrative	Fundraising	Total
Broadcasting grants	\$ 8,204,680	\$ -	\$ -	\$ 8,204,680
Salaries and wages	2,687,391	455,042	388,763	3,531,196
Professional services	1,159,192	318,209	301,715	1,779,116
Printing and publications	506,040	156,576	852,563	1,515,179
Employee benefits	920,337	123,344	105,305	1,148,986
Travel	449,207	41,941	56,546	547,694
Telephone and occupancy	231,577	26,377	25,341	283,295
Other expenses	105,183	86,082	6,794	198,059
Supplies	109,509	10,411	23,960	143,880
Conferences	172,453	5,030	3,234	180,717
Postage and shipping	31,277	12,687	6,632	50,596
Equipment repair and maintenance	46,191	2,455	2,455	51,101
Depreciation and amortization	20,384	12,230	4,447	37,061
	<b>\$ 14,643,421</b>	<b>\$ 1,250,384</b>	<b>\$ 1,777,755</b>	<b>\$ 17,671,560</b>

	Year Ended June 30, 2024			
	Broadcast Operations	General and Administrative	Fundraising	Total
Broadcasting grants	\$ 7,886,199	\$ -	\$ -	\$ 7,886,199
Salaries and wages	2,585,239	369,007	322,044	3,276,290
Professional services	949,738	212,920	258,388	1,421,046
Printing and publications	463,100	117,562	570,822	1,151,484
Employee benefits	934,832	113,797	96,924	1,145,553
Travel	260,434	29,634	35,510	325,578
Telephone and occupancy	233,113	22,028	23,697	278,838
Other expenses	145,157	71,085	35,016	251,258
Supplies	134,334	13,279	24,696	172,309
Conferences	106,243	7,901	4,646	118,790
Postage and shipping	42,759	19,456	7,321	69,536
Equipment repair and maintenance	49,885	5,401	5,434	60,720
Depreciation and amortization	25,715	15,428	5,610	46,753
	<b>\$ 13,816,748</b>	<b>\$ 997,498</b>	<b>\$ 1,390,108</b>	<b>\$ 16,204,354</b>

See notes to financial statements

# FAR EAST BROADCASTING COMPANY

## Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 6,465,853	\$ 151,133
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	37,061	46,753
Realized and unrealized gain on investments	(1,597,556)	(1,670,722)
Gain on sale of real estate held for sale	(7,093,146)	-
Gift annuity and charitable trusts actuarial change	(59,603)	(75,160)
Net change in:		
Accounts receivable	62,843	447,736
Funds held in escrow	200,000	(200,000)
Prepaid expenses and other assets	(69,089)	22,426
Estate and trust receivables	(22,696)	(206,975)
Accounts payable	(4,561)	82,351
Accrued expenses	311,288	(818,998)
Funds held in escrow liability	(200,000)	200,000
Net Cash Used by Operating Activities	(1,969,606)	(2,021,456)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of real estate held for sale	7,487,578	-
Acquisition of investments	(6,656,304)	(2,715,874)
Proceeds from sale of investments	1,972,084	4,752,197
Proceeds from sale of investments for distribution of beneficiary payments	264,823	250,409
Gift portion of new trusts and charitable savings agreements	-	(96,500)
Net Cash Provided by Investing Activities	3,068,181	2,190,232
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal paid on finance leases	(13,588)	(13,088)
Payments on gift annuities to beneficiaries	(264,823)	(250,409)
Face value of new annuity, trusts, and charitable savings agreements	-	115,001
Maturities of gift annuities and trusts	-	(32,151)
Net Cash Used by Financing Activities	(278,411)	(180,647)

(continued)

See notes to financial statements

# FAR EAST BROADCASTING COMPANY

## Statements of Cash Flows (continued)

	Year Ended June 30,	
	<u>2025</u>	<u>2024</u>
Change in Cash and Cash Equivalents	820,164	(11,871)
Cash and Cash Equivalents, Beginning of Year	<u>1,081,088</u>	<u>1,092,959</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,901,252</u>	<u>\$ 1,081,088</u>
SUPPLEMENTAL DISCLOSURES:		
Right of use assets obtained in exchange for lease obligations	<u>\$ 27,591</u>	<u>\$ 458,326</u>
Property & equipment transferred to real estate held for sale	<u>\$ -</u>	<u>\$ 390,036</u>
Interest paid	<u>\$ 1,772</u>	<u>\$ 2,272</u>

See notes to financial statements

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

1. NATURE OF ORGANIZATION:

Far East Broadcasting Company (FEBC) is a nonprofit Christian broadcasting corporation dedicated to serving people, primarily in Asia, by developing Christian content and delivering it through various media channels to move listeners toward Jesus Christ and His kingdom.

FEBC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). It is also exempt from state income taxes. However, FEBC is subject to federal income tax on any unrelated business taxable income. Contributions by the public are deductible for income tax purposes. FEBC has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code.

FEBC established operations in Texas to support FEBC's long-term objectives.

For the years ended June 30, 2025 and 2024, approximately 12% of FEBC's contributions consisted of trust and estate gifts. Approximately 11% and 10% of contributions were received from other FEBC affiliates (see Note 11), and approximately 50% and 39% of contributions were received from churches, foundations, ministries, and other institutions for the years ended June 30, 2025 and 2024, respectively. Remaining contributions were received from individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of FEBC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. A summary of significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### CASH AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents include cash on hand and on deposit. At June 30, 2025 and 2024, FEBC's cash balances on deposit exceeded federally insured limits by approximately \$1,067,000 and \$346,000, respectively.

### ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due to FEBC for airing programs on FEBC's stations.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### ESTATE AND TRUST RECEIVABLES

Estate and trust receivables are reported net of any anticipated losses due to uncollectible accounts. Estate and trust receivables totaled approximately \$406,000 and \$384,000 at June 30, 2025 and 2024, respectively.

#### ALLOWANCE FOR CREDIT LOSSES

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The allowance was \$0 for each of the years ended, June 30, 2025 and 2024, respectively.

#### PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of deposits and advances to affiliates.

#### INVESTMENTS

Investments are carried on the following basis:

- Investments in marketable exchange-traded funds, debt securities, mutual funds, government securities, U.S. Treasury Bills and equity securities with readily determinable fair values are reported at fair value.
- Investments in alternatively managed futures and indexed annuities have an estimated market value based on reasonable valuation methodologies, including items such as surrender value and recent offering prices, which approximate fair value.
- Investments in limited partnerships and closely-held stocks are carried at appraisal value, which approximates fair value.
- Portions of FEBC's portfolio are held and managed by the Barnabus Foundation; these investments are held in investment pools. Pro-rata ownership in the pools is determined under a system in which units of ownership are recorded to represent each member's share of the total market value of assets; therefore, FEBC reports its interest in the pooled funds at fair value. Interest income, dividends, and appreciation or depreciation in market value are allocated based on each pool member's percentage of ownership represented by these units and are included within investment income on the statements of activities.

FEBC considers all highly liquid investments with an original maturity of three months or less to be cash equivalents except for cash and money market funds held for investment purposes, which FEBC includes within investments as part of its investment policy and overall investment portfolio strategy. Earnings are included within investment income on the statements of activities.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### REAL ESTATE HELD FOR SALE

FEBC placed real estate in La Mirada, California, up for sale during the year ended June 30, 2024. The real estate is held at the lower of cost or fair value, less estimated selling costs. In August 2023, FEBC entered into a sale agreement with a selling price of \$7,500,000 and a scheduled closing date in December 2024. During the year ended June 30, 2024, the purchaser deposited \$200,000 in earnest money. The sale closed November 20, 2024 with a total net proceeds of approximately \$7,488,000, and FEBC recognized a gain on sale of approximately \$7,093,000.

#### OPERATING AND FINANCING LEASE RIGHT-OF-USE ASSETS AND OBLIGATIONS

FEBC leases office space and equipment. FEBC determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities the statements of financial position. Finance leases are included in financing lease right-of-use (ROU) assets and financing lease obligations on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, FEBC uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that FEBC will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. FEBC has elected to not separate lease and non-lease components.

#### PROPERTY AND EQUIPMENT

Expenditures for property and equipment over \$5,000 are capitalized at cost. Donated items are recorded at fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives as follows:

Equipment	3-10 years
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# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### NET ASSETS

The financial statements report amounts by class of net assets:

*Net assets without donor restrictions* are those currently available at the discretion of the board for use in FEBC's operations or designated for specific purposes and those resources invested in equipment.

*Net assets with donor restrictions* are those related to fiduciary agreements and those which are stipulated by donors for specific purposes.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor.

Contributions are recorded as net assets with donor restrictions if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. For contributions restricted by donors for the acquisition of property or other long-lived assets, the restriction is considered to be met when the property or other long-lived asset is placed in service.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to FEBC. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. Goods given to FEBC that do not have an objective basis for valuation are not recorded.

Broadcast and other revenue is recognized at a point in time during the period in which the event occurs. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Trust and Investment income (which consists of interest and dividends, net realized and unrealized gains on marketable securities) is recorded on the accrual basis as earned.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### GIFTS-IN-KIND

Gifts-in-kind consist of non-cash gifts, including donated air time, radios, and other. Non-cash gifts are recorded as support at the estimated fair market value on the date of the gift. Donated air time and radios are utilized to fulfill FEBC's mission to move listeners closer to Jesus Christ and His Kingdom. All donated services and goods were utilized by FEBC's program services. There were no donor-imposed restrictions associated with the contributed services or goods. Gifts-in-kind are disclosed in Note 14 to the financial statements.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one or more programs or supporting functions of FEBC. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, telephone and occupancy, which are allocated on a combined square footage basis and estimated benefit received. Salaries and benefits are allocated on the basis of estimates of time and effort.

#### ALLOCATION OF JOINT COSTS

Accounting standards require all costs which contain any fundraising appeal to be allocated to fundraising unless all of the following three tests are met: purpose, audience, and content. The allocation of these joint costs is disclosed in Note 13 to the financial statements.

#### USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include accounting for leases, the fair value of investments, fiduciary obligations, and allocation of expenses by function.

#### RECLASSIFICATIONS

Certain reclassifications were made to prior year balances to conform with current year presentation.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

3. LIQUIDITY:

The following reflects FEBC's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date. FEBC maintains liquidity sufficient to meet general obligations as they become due.

	June 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 1,901,252	\$ 1,081,088
Accounts receivable	203,290	266,133
Estate and trust receivables	406,428	383,732
Investments	20,817,376	14,781,452
Investments held for board designated purposes	3,054,122	2,808,270
Financial assets, at year end	26,382,468	19,320,675
Less those unavailable for FEBC's activities within one year due to:		
Beneficial interest held in others	(32,575)	(32,575)
Restricted by donors with purpose or time restrictions	(5,268,488)	(5,712,838)
Board designated	(3,054,122)	(2,808,270)
Fiduciary obligations	(1,760,797)	(1,820,400)
	(10,115,982)	(10,374,083)
Financial assets available to meet cash needs for FEBC's activities within one year	\$ 16,266,486	\$ 8,946,592

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for FEBC's activities within one year of the date of the statements of financial position, other than as noted. FEBC has a goal to maintain cash and investments on hand to meet ninety days of normal operating expenses, which are on average \$1,430,000 per month. FEBC is committed to having adequate cash reserves as part of its overall financial plan. As part of the FEBC's liquidity management plan, excess cash is invested in short term certificates of deposit or interest bearing checking accounts.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

4. INVESTMENTS AND INVESTMENTS HELD FOR BOARD DESIGNATED PURPOSES:

The carrying value of FEBC's investments and fiduciary fund assets at June 30, 2025 and 2024 are as follows:

	June 30,	
	2025	2024
Cash and cash equivalents	\$ 459,309	\$ 3,211,659
Investments:		
Exchange-Traded Funds	19,628,293	10,808,430
Pooled Funds	1,832,612	-
US Treasury Bills	1,205,492	-
Indexed Annuities	446,896	410,657
Mutual funds	164,582	216,621
Limited partnership	60,144	60,144
Equities	52,170	4,942
Money market funds	22,000	2,877,269
	\$ 23,871,498	\$ 17,589,722

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are observable; or can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

4. INVESTMENTS AND INVESTMENTS HELD FOR BOARD DESIGNATED PURPOSES, continued:

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The methods described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although FEBC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

### Changes in Fair Value Levels:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2025 and 2024, there were no significant transfers in or out of Levels 1, 2, or 3, respectively.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

4. INVESTMENTS AND INVESTMENTS HELD FOR BOARD DESIGNATED PURPOSES, continued:

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

As of June 30, 2025:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange-Traded Funds	\$ 19,628,293	\$ 19,628,293	\$ -	\$ -
Pooled Funds	1,832,612	-	1,832,612	-
US Treasury Bills	1,205,492	1,205,492	-	-
Indexed annuities	446,896	-	446,896	-
Mutual funds	164,582	164,582	-	-
Limited partnership	60,144	-	-	60,144
Equities	52,170	52,170	-	-
	\$ 23,390,189	\$ 21,050,537	\$ 2,279,508	\$ 60,144
Investments held at cost:				
Cash and cash equivalents	459,309			
Money market funds	22,000			
	\$ 23,871,498			

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

4. INVESTMENTS AND INVESTMENTS HELD FOR BOARD DESIGNATED PURPOSES, continued:

As of June 30, 2024:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange-Traded Funds	\$ 10,808,430	\$ 10,808,430	\$ -	\$ -
Indexed annuities	410,657	-	410,657	-
Mutual funds	216,621	216,621	-	-
Limited partnership Equities	60,144 4,942	- 4,942	- -	60,144 -
	\$ 11,500,794	\$ 11,029,993	\$ 410,657	\$ 60,144
Investments held at cost:				
Cash and cash equivalents	3,211,659			
Money market funds	2,877,269			
	\$ 17,589,722			

FEBC is licensed by the state of California Department of Insurance as an Annuity Society. Under this designation, the department requires FEBC to maintain a reserve adequate to meet future payments under the annuity contracts. The reserve included in cash and cash equivalents and investments totaled \$222,876 and \$205,155 as of June 30, 2025 and 2024, respectively. The reserve amount is based upon the most current annuity mortality rate from the State of California Department of Insurance on the date of the agreement. The range of annuity rates for existing agreements is 4.30% to 13.2%.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

5. PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	June 30,	
	2025	2024
Equipment	\$ 731,459	\$ 1,551,005
	731,459	1,551,005
Less accumulated depreciation	(702,312)	(1,494,385)
	\$ 29,147	\$ 56,620
Reclassification to real estate held for sale from land, buildings, and equipment	\$ -	\$ (390,036)

6. OPERATING LEASE—RIGHT-OF-USE ASSET AND OBLIGATION:

FEBC leases office space under an operating lease expiring in 2027. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The lease requires monthly payments of \$11,282. The discount rates on these leases are 4.15% and 4.79%.

	June 30,	
	2025	2024
Operating lease right-of-use asset	\$ 335,105	\$ 438,685
Operating lease obligation	\$ 338,541	\$ 439,385
Operating lease costs	\$ 150,376	\$ 99,088
Cash paid for operating leases	\$ 150,376	\$ 99,088

Future minimum lease payments required under the operating lease are as follows:

Year Ending June 30,	
2026	\$ 153,747
2027	145,454
2028	59,541
	358,742
Less: imputed interest	(20,201)
	\$ 338,541

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

7. FINANCING LEASE—RIGHT-OF-USE ASSETS AND OBLIGATIONS:

FEBC leases equipment under two noncancelable financing leases expiring at various dates through 2028. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The leases require monthly payments of \$980 and \$300, respectively. Discount rates on these leases are 3.60% to 4.27%, respectively.

	June 30,	
	2025	2024
Financing lease right-of-use assets	\$ 38,187	\$ 52,171
Financing lease obligations	\$ 39,806	\$ 53,394
Finance lease costs:		
Amortization of right-of-use assets	\$ 13,984	\$ 13,984
Interest on lease liabilities	\$ 1,772	\$ 2,272
Weighted-average discount rate	3.75%	3.75%
Weighted-average remaining lease term	2.59 years	3.48 years

Future minimum lease payments required under the operating lease are as follows:

Year Ending June 30,	
2026	\$ 15,360
2027	15,360
2028	11,220
	41,940
Less: imputed interest	(2,134)
	\$ 39,806

8. ACCRUED EXPENSES

Accrued expenses consist of the following:

	June 30,	
	2025	2024
Accrued salaries, wages and benefits	\$ 295,835	\$ 264,219
Accrued ministry grant	-	181,172
Accrued broadcast radio expenses	543,065	88,999
Other accrued expenses	31,745	24,967
	\$ 870,645	\$ 559,357

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

### 9. FIDUCIARY OBLIGATIONS:

#### CHARITABLE SAVINGS AGREEMENTS

FEBC has established a plan whereby donors are paid an income return based on charitable savings amounts placed on deposit with FEBC. The donor is permitted to demand repayment of the charitable savings amount under certain circumstances. Any unpaid income, along with the charitable savings amount on deposit, are transferred to FEBC upon the death of the donor.

Since the agreements are revocable, the principal amount is included in fiduciary obligations in the statements of financial position. Income earned on the assets and expenses, including amounts paid to donors, are reflected on the statements of activities under change in fiduciary obligations.

#### GIFT ANNUITIES

FEBC has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. This transaction provides for a portion of the transfer to be considered a charitable contribution for income tax purposes.

The difference between the amount contributed for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as net assets without donor restrictions in the fiduciary fund at the date of the gift.

The present value of the expected payments to the annuitants over their life expectancy is included in fiduciary obligations on the statements of financial position. The annuity liability is revalued annually based upon actuarially computed present values.

The change in the amount of the liabilities, net of investment income, annuitant payments, and terminations is reflected on the statements of activities under change in fiduciary obligations.

#### IRREVOCABLE AGREEMENTS

As trustee, FEBC administers irrevocable trusts, including charitable remainder unitrusts and charitable remainder annuity trusts. These trusts provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to designated parties.

The difference between the amount contributed and the liability for future payments, determined on an actuarial basis, is recognized as net assets with donor restrictions in the fiduciary fund at the date of the gift. The difference between the assets in the trust and the liabilities is reported on the statements of financial position as net assets with donor restrictions.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

9. FIDUCIARY OBLIGATIONS, continued:

IRREVOCABLE AGREEMENTS, continued

The present value of the expected payments to the trustors over their life expectancies is included in fiduciary obligations on the statements of financial position. The change in the amount of the liabilities, net of investment income, trustor payments and terminations, is reflected in the statements of activities under change in fiduciary obligations.

The expected future interest of beneficiaries other than FEBC is included in fiduciary obligations on the statements of financial position.

The discount rate used in calculating the present value approximates the interest rates on 30-year treasury securities at the time the trust agreements are created. The discount rate is not subsequently revised.

Fiduciary obligations consist of:

	June 30,	
	<u>2025</u>	<u>2024</u>
Gift annuity liabilities	\$ 1,206,277	\$ 1,265,296
Irrevocable agreements	228,768	232,946
Amounts due to other beneficiaries	322,742	319,148
Charitable savings agreements	<u>3,010</u>	<u>3,010</u>
	<u>\$ 1,760,797</u>	<u>\$ 1,820,400</u>

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

9. FIDUCIARY OBLIGATIONS, continued:

The change in value of fiduciary obligations consist of:

	June 30,	
	2025	2024
Change in value of charitable gift annuities:		
Actuarial change	\$ 59,018	\$ 70,611
Other income		
Maturities	-	32,151
Other	(11,725)	-
Payments and distributions (including miscellaneous expenses)	(227,485)	(212,687)
	(180,192)	(109,925)
Change in value of charitable trusts:		
Interest and dividends	17,193	17,605
Realized and unrealized gains on investments	19,393	29,360
Actuarial change	585	4,549
Payments (including miscellaneous expenses)	(37,188)	(37,020)
	(17)	14,494
Change in value of charitable savings agreements:		
Interest and dividends	284	11,387
Realized and unrealized gains on investments	544	7,856
Payments (including miscellaneous expenses)	(150)	(702)
	678	18,541
	\$ (179,531)	\$ (76,890)

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

10. NET ASSETS:

Net assets consist of:

	June 30,	
	2025	2024
Net assets without donor restrictions:		
Undesignated	\$ 12,955,495	\$ 6,853,271
	12,955,495	6,853,271
Designated:		
Designated by the board for the Legacy Fund	3,054,122	2,808,270
Total net assets without donor restrictions	\$ 16,009,617	\$ 9,661,541
Net assets with donor restrictions:		
Operations in foreign countries *	\$ 6,738,443	\$ 6,194,930
Missionary support	566,912	538,675
Investment account held for restricted purposes	-	290,642
Irrevocable agreements	349,284	512,615
Other projects	1,872	1,872
	\$ 7,656,511	\$ 7,538,734

\* Net assets restricted by donors for operations in foreign countries as of June 30, 2025 and 2024, includes \$1,079,681 and \$1,087,914, respectively, restricted to support broadcast operations in Southeast Asia. Net assets restricted by donors for operations in foreign countries also includes \$0 and \$241,204 restricted for the developmental growth of international Asian ministries as of June 30, 2025 and 2024, respectively.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

### 11. AFFILIATES:

In connection with its worldwide radio ministry, FEBC provides financial support to certain broadcasting stations, located in various foreign countries, that are not under the direct control of the U.S. office. Financial support was provided and is included in broadcast operations expense as follows:

	June 30,	
	<u>2025</u>	<u>2024</u>
Vietnam	\$ 2,191,750	\$ 3,039,000
Russia and Ukraine	1,090,000	1,232,766
Thailand	1,155,151	308,201
Hong Kong	721,277	788,760
Central Asia	460,920	272,730
Philippines	457,739	347,403
Cambodia	361,117	414,393
Korea	666,343	436,137
India	167,045	95,725
South Africa	160,000	40,000
Indonesia	152,160	117,366
Mongolia	154,890	285,185
Pakistan	110,403	46,200
Other countries	86,046	65,866
Taiwan	70,800	107,635
Malaysia	70,200	50,818
Japan	48,000	69,799
Chinese Ministries	80,839	123,215
Moldova	-	45,000
	<u>\$ 8,204,680</u>	<u>\$ 7,886,199</u>

In addition, financial support is provided to, and received from, other FEBC sending fields in England, Australia, Canada, and Asia. Financial support in the amount of \$681,449 and \$576,806 was received from these fields during the years ended June 30, 2025 and 2024, respectively, and is included in contributions in the statements of activities. Financial support was provided to these fields in the amount of \$86,046 and \$65,866, during the years ended June 30, 2025 and 2024, respectively, and is included in broadcast operations expense.

# FAR EAST BROADCASTING COMPANY

## Notes to Financial Statements

June 30, 2025 and 2024

12. RETIREMENT PLAN:

FEBC has an employee retirement plan under Internal Revenue Code Section 403(b). Under this plan, FEBC contributes 3% of each employee's annual gross salary to his or her individual account. In addition, FEBC will match each employee's contribution up to an additional 3% annually. Employer contributions to this plan were \$172,179 and \$159,367 for the years ended June 30, 2025 and 2024, respectively.

13. JOINT COSTS:

As stated in Note 2, FEBC incurs costs for missionary deputation, which includes time spent performing fundraising functions. These costs are referred to as joint costs and are allocated to program services, general and administrative, and fundraising. Joint cost allocations are as follows:

	June 30,	
	2025	2024
Program services	\$ 382,716	\$ 415,431
Supporting activities:		
General and administrative	1,168	1,268
Fundraising	5,451	5,917
	<u>\$ 389,335</u>	<u>\$ 422,616</u>

14. RELATED PARTY TRANSACTIONS:

For the years ended June 30, 2025 and 2024, FEBC received donated broadcasting time from two separate companies owned by two separate board members. The total donated broadcasting time received was valued at \$88,950 and \$90,000, respectively. For the years ended June 30, 2025 and 2024, FEBC paid \$91,000 and \$77,000, respectively, for broadcasting consulting fees to a company owned by a board member.

15. SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 10, 2026, which is the date the financial statements were available to be issued.