

FAR EAST BROADCASTING COMPANY

Financial Statements
With Independent Auditor's Report

June 30, 2026 and 2025

FAR EAST BROADCASTING COMPANY

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CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

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, 2026 and 2025, 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, 2026 and 2025, 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.

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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
October 7, 2026

FAR EAST BROADCASTING COMPANY

Statements of Financial Position

	June 30, 2026	June 30, 2025
ASSETS:		
Cash and cash equivalents	$ 930,281	$ 1,901,252
Accounts receivable	198,080	203,290
Prepaid expenses and other assets	51,558	132,432
Estate and trust receivables	925,123	406,428
Investments	18,790,587	20,817,376
Investments held for board designated purposes	2,494,510	3,054,122
Operating lease–right-of-use asset	212,356	335,105
Financing lease–right-of-use assets	24,203	38,187
Property and equipment–at cost, net	14,150	29,147
Total Assets	$ 23,640,848	$ 26,917,339
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	$ 493,881	$ 241,422
Accrued expenses	953,504	870,645
Operating lease obligation	221,787	338,541
Financing lease obligations	25,698	39,806
Fiduciary obligations	1,483,032	1,760,797
Total liabilities	3,177,902	3,251,211
Net assets without donor restrictions:		
Undesignated	7,359,138	12,955,495
Board designated	2,494,510	3,054,122
	9,853,648	16,009,617
Net assets with donor restrictions	10,609,298	7,656,511
Total net assets	20,462,946	23,666,128
Total Liabilities and Net Assets	$ 23,640,848	$ 26,917,339

See notes to financial statements

FAR EAST BROADCASTING COMPANY

Statements of Activities

	Year Ended June 30,					
	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	$ 2,628,742	$ 9,910,645	$ 12,539,387	$ 3,785,387	$ 7,058,059	$ 10,843,446
Trust and estate income	1,472,390	150,000	1,622,390	1,494,054	-	1,494,054
Broadcast revenue	3,633,456	-	3,633,456	3,228,585	-	3,228,585
Gifts-in-kind - donated air time	89,825	-	89,825	88,950	-	88,950
Investment income	2,481,067	62,724	2,543,791	1,537,285	26,650	1,563,935
Change in value of fiduciary obligations	(162,012)	-	(162,012)	(179,531)	-	(179,531)
Gain on sale of assets held for sale	-	-	-	7,093,146	-	7,093,146
Other income	3,010	-	3,010	4,828	-	4,828
Net assets released from restrictions:						-
Satisfaction of program restrictions	7,170,582	(7,170,582)	-	6,966,932	(6,966,932)	-
Total Support, Revenue and Reclassifications	17,317,060	2,952,787	20,269,847	24,019,636	117,777	24,137,413
EXPENSES:						
Program ministries:						
Broadcast operations	18,677,999	-	18,677,999	14,643,421	-	14,643,421
Supporting activities:						
General and administrative	1,535,716	-	1,535,716	1,250,384	-	1,250,384
Fundraising	3,259,314	-	3,259,314	1,777,755	-	1,777,755
Total supporting services	4,795,030	-	4,795,030	3,028,139	-	3,028,139
Total Expenses	23,473,029	-	23,473,029	17,671,560	-	17,671,560
Change in Net Assets	(6,155,969)	2,952,787	(3,203,182)	6,348,076	117,777	6,465,853
Net Assets, Beginning of Year	16,009,617	7,656,511	23,666,128	9,661,541	7,538,734	17,200,275
Net Assets, End of Year	$ 9,853,648	$ 10,609,298	$ 20,462,946	$ 16,009,617	$ 7,656,511	$ 23,666,128

See notes to financial statements

FAR EAST BROADCASTING COMPANY

Statements of Functional Expenses

	Year Ended June 30, 2026			
	Broadcast Operations	General and Administrative	Fundraising	Total
Broadcasting grants	$ 11,142,185	$ -	$ -	$ 11,142,185
Salaries and wages	2,607,684	460,663	632,336	3,700,683
Printing and publications	789,495	261,017	1,542,981	2,593,493
Professional services	1,320,037	368,972	593,433	2,282,442
Employee benefits	1,024,094	186,188	207,485	1,417,767
Travel	605,753	52,331	106,871	764,955
Conferences	328,419	45,518	97,625	471,562
Other expenses	316,532	104,930	18,825	440,287
Telephone and occupancy	271,137	22,446	34,026	327,609
Supplies	188,333	19,388	16,877	224,598
Postage and shipping	34,275	5,454	5,351	45,080
Equipment repair and maintenance	28,307	3,270	1,810	33,387
Depreciation and amortization	21,748	5,539	1,694	28,981
Total Expenses	$ 18,677,999	$ 1,535,716	$ 3,259,314	$ 23,473,029

	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
Printing and publications	506,040	156,576	852,563	1,515,179
Professional services	1,159,192	318,209	301,715	1,779,116
Employee benefits	920,337	123,344	105,305	1,148,986
Travel	449,207	41,941	56,546	547,694
Conferences	172,453	5,030	3,234	180,717
Other expenses	105,183	86,082	6,794	198,059
Telephone and occupancy	231,577	26,377	25,341	283,295
Supplies	109,509	10,411	23,960	143,880
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
Total Expenses	$ 14,643,421	$ 1,250,384	$ 1,777,755	$ 17,671,560

See notes to financial statements

FAR EAST BROADCASTING COMPANY

Statements of Cash Flows

	Year Ended June 30,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (3,203,182)	$ 6,465,853
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	28,981	37,061
Realized and unrealized gain on investments	(2,586,754)	(1,597,556)
Gain on sale of real estate held for sale	-	(7,093,146)
Gift annuity and charitable trusts actuarial change	(277,765)	(59,603)
Net change in:		
Accounts receivable	5,210	62,843
Funds held in escrow	-	200,000
Prepaid expenses and other assets	80,874	(69,089)
Estate and trust receivables	(518,695)	(22,696)
Accounts payable	258,454	(4,561)
Accrued expenses	82,859	311,288
Funds held in escrow liability	-	(200,000)
Net Cash Used by Operating Activities	(6,130,018)	(1,969,606)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of real estate held for sale	-	7,487,578
Acquisition of investments	(815,568)	(6,656,304)
Proceeds from sale of investments	5,988,723	1,972,084
Proceeds from sale of investments for distribution of beneficiary payments	250,082	264,823
Net Cash Provided by Investing Activities	5,423,237	3,068,181
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal paid on finance leases	(14,108)	(13,588)
Payments on gift annuities to beneficiaries	(250,082)	(264,823)
Net Cash Used by Financing Activities	(264,190)	(278,411)

(continued)

See notes to financial statements

FAR EAST BROADCASTING COMPANY

Statements of Cash Flows
(continued)

	Year Ended June 30,	
	2026	2025
Change in Cash and Cash Equivalents	(970,971)	820,164
Cash and Cash Equivalents, Beginning of Year	1,901,252	1,081,088
Cash and Cash Equivalents, End of Year	$ 930,281	$ 1,901,252
SUPPLEMENTAL DISCLOSURES:		
Right of use assets obtained in exchange for lease obligations	$ -	$ 27,591
Interest paid	$ 1,252	$ 1,772

See notes to financial statements

FAR EAST BROADCASTING COMPANY

Notes to Financial Statements

June 30, 2026 and 2025

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

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

Cash and cash equivalents include cash on hand and on deposit. As of June 30, 2026 and 2025, FEBC's cash balances on deposit exceeded federally insured limits by approximately $534,000 and $1,067,000, respectively.

ACCOUNTS RECEIVABLE

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

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 historical collections. 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, 2026 and 2025, respectively.

ESTATE AND TRUST RECEIVABLES

Estate and trust receivables are reported net of any anticipated losses due to uncollectible accounts. For the years ended June 30, 2026 and 2025 anticipated losses, due to uncollectible accounts, were $0. No discount has been assessed on estate and trust receivables, as all are expected to be collected within one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 are carried at appraisal value, which approximates fair value.
- Portions of FEBC's portfolio are held and managed by the Barnabas 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.

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 on 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.

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

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 and trust and estate income 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 and trust and estate income 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 and trust and estate income 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.

For the years ended June 30, 2026 and 2025, approximately 12% of FEBC's contributions consisted of trust and estate gifts. Approximately 11% of contributions were received from other FEBC affiliates (see Note 11), and approximately 37% and 50% of contributions were received from churches, foundations, ministries, and other institutions for the years ended June 30, 2026 and 2025, respectively. Remaining contributions were received from individuals.

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

Broadcast revenue and other income are 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GIFTS-IN-KIND

Gifts-in-kind consist of donated air time. Gifts-in-kind are recorded as support at the estimated fair market value on the date of the gift. Donated air time is 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.

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 14 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.

3. LIQUIDITY:

The following reflects FEBC's financial assets as of the statements 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, 2026	June 30, 2025
Financial assets:		
Cash and cash equivalents	$ 930,281	$ 1,901,252
Accounts receivable	198,080	203,290
Estate and trust receivables	925,123	406,428
Investments	18,790,587	20,817,376
Investments held for board designated purposes	2,494,510	3,054,122
Financial assets, at year end	23,338,581	26,382,468
Less those unavailable for FEBC's activities within one year due to:		
Beneficial interest held by others	(32,575)	(32,575)
Restricted by donors with purpose or time restrictions	(6,308,842)	(5,268,488)
Board designated	(2,494,510)	(3,054,122)
Fiduciary obligations	(1,483,032)	(1,760,797)
	(10,318,959)	(10,115,982)
Financial assets available to meet cash needs for FEBC's activities within one year	$ 13,019,622	$ 16,266,486

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, $1,934,000 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.

4. INVESTMENTS AND INVESTMENTS HELD FOR BOARD DESIGNATED PURPOSES:

The carrying value of FEBC's investments and investments held for board designated purposes at June 30, 2026 and 2025 are as follows:

	June 30, 2026	June 30, 2025
Cash and cash equivalents	$ 131,650	$ 459,309
Investments:		
Exchange-traded funds	17,780,128	19,628,293
Pooled funds	1,849,010	1,832,612
US treasury bills	718,692	1,205,492
Indexed annuities	544,359	446,896
Mutual funds	165,114	164,582
Limited partnership	60,144	60,144
Money market funds	36,000	22,000
Equities	-	52,170
	$ 21,285,097	$ 23,871,498

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 $145,501 and $222,876 as of June 30, 2026 and 2025, 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%.

5. FAIR VALUE MEASUREMENTS:

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.

5. FAIR VALUE MEASUREMENTS, continued:

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.

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.

Exchange-traded funds, mutual funds, US treasury bills, and equities - Securities classified as exchange-traded funds, mutual funds, US treasury bills, and equities are reported at fair value using Level 1 inputs found on active markets.

Pooled funds and indexed annuities - Pooled funds and indexed annuities are valued using prices from an independent pricing service utilizing Level 2 inputs. The fair value measurements include observable data that may include dealer quotes, market spreads, cash flows, live trading levels, trade execution data, credit information and the bond's terms and conditions among other factors.

Limited partnership - Limited partnership interests are private and not actively traded on public exchanges. Valuations depend on internal financial models, management estimates, and subjective assumptions from the general partner rather than quoted market prices. Additional disclosure on the limited partnership is omitted due to immateriality.

There have been no significant changes in the valuation techniques during the years ended June 30, 2026 or 2025.

5. FAIR VALUE MEASUREMENTS, 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 as of June 30, 2026:

	Total	Level 1	Level 2	Level 3
Exchange-traded funds	$ 17,780,128	$ 17,780,128	$ -	$ -
Pooled funds	1,849,010	-	1,849,010	-
US treasury bills	718,692	718,692	-	-
Indexed annuities	544,359	-	544,359	-
Mutual funds	165,114	165,114	-	-
Limited partnership	60,144	-	-	60,144
	$ 21,117,447	$ 18,663,934	$ 2,393,369	$ 60,144
Investments held at cost:				
Cash and cash equivalents	131,650			
Money market funds	36,000			
	$ 21,285,097			

The fair value hierarchy in which the fair value measurements fall at June 30, 2025:

	Total	Level 1	Level 2	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			

6. PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	June 30, 2026	June 30, 2025
Equipment	$ 731,459	$ 731,459
Less accumulated depreciation	(717,309)	(702,312)
	$ 14,150	$ 29,147

7. OPERATING LEASE–RIGHT-OF-USE ASSET AND OBLIGATION:

FEBC leases office space under an operating lease expiring in November 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 $12,299. The discount rates on these leases are 4.15% and 4.79%.

	June 30, 2026	June 30, 2025
Operating lease right-of-use asset	$ 212,356	$ 335,105
Operating lease obligation	$ 221,787	$ 338,541
Operating lease costs	$ 157,191	$ 150,376
Cash paid for operating leases	$ 157,191	$ 150,376
Weighted-average discount rate	4.74%	4.76%
Weighted-average remaining lease term	1.36 years	2.22 years

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

Year Ending June 30,	
2027	$ 163,525
2028	66,193
	229,718
Less: imputed interest	(7,931)
	$ 221,787

8. FINANCING LEASE–RIGHT-OF-USE ASSETS AND OBLIGATIONS:

FEBC leases equipment under two noncancelable financing leases expiring at various dates through April 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, 2026	June 30, 2025
Financing lease right-of-use assets	$ 24,203	$ 38,187
Financing lease obligations	$ 25,698	$ 39,806
Finance lease costs:		
Amortization of right-of-use assets	$ 13,984	$ 13,984
Interest on lease liabilities	$ 1,252	$ 1,772
Weighted-average discount rate	3.75%	3.75%
Weighted-average remaining lease term	1.67 years	2.59 years

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

Year Ending June 30,	
2027	$ 15,360
2028	11,220
	26,580
Less: imputed interest	(882)
	$ 25,698

9. ACCRUED EXPENSES:

Accrued expenses consist of the following:

	June 30, 2026	June 30, 2025
Accrued salaries, wages and benefits	$ 316,427	$ 295,835
Accrued broadcast radio expenses	636,819	543,065
Other accrued expenses	258	31,745
	$ 953,504	$ 870,645

10. 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.

10. 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,	
	2026	2025
Gift annuity liabilities	$ 1,165,367	$ 1,206,277
Irrevocable agreements	217,855	228,768
Amounts due to other beneficiaries	99,810	322,742
Charitable savings agreements	-	3,010
	$ 1,483,032	$ 1,760,797

10. FIDUCIARY OBLIGATIONS, continued:

The change in value of fiduciary obligations consist of:

	June 30, 2026	June 30, 2025
Change in value of charitable gift annuities:		
Actuarial change	$ 40,911	$ 59,018
Other income:		
Other	-	(11,725)
Payments and distributions (including miscellaneous expenses)	(212,584)	(227,485)
	(171,673)	(180,192)
Change in value of charitable trusts:		
Interest and dividends	15,460	17,193
Realized and unrealized gains on investments	30,608	19,393
Actuarial change	524	585
Payments (including miscellaneous expenses)	(37,466)	(37,188)
	9,126	(17)
Change in value of charitable savings agreements:		
Interest and dividends	88	284
Realized and unrealized gains on investments	479	544
Payments (including miscellaneous expenses)	(32)	(150)
	535	678
	$ (162,012)	$ (179,531)

11. NET ASSETS:

Net assets consist of:

	June 30, 2026	June 30, 2025
Net assets without donor restrictions:		
Undesignated	$ 7,359,138	$ 12,955,495
	7,359,138	12,955,495
Designated:		
Designated by the board for the Legacy Fund	2,494,510	3,054,122
Total net assets without donor restrictions	$ 9,853,648	$ 16,009,617
Net assets with donor restrictions:		
Operations in foreign countries *	$ 9,763,260	$ 6,738,443
Missionary support	586,940	566,912
Irrevocable agreements	257,226	349,284
Other projects	1,872	1,872
	$ 10,609,298	$ 7,656,511

* Net assets restricted by donors for operations in foreign countries as of June 30, 2026 and 2025, includes $721,294 and $1,079,681, respectively, restricted to support broadcast operations in Southeast Asia.

12. 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,	
	2026	2025
East Asia & Pacific	$ 7,933,976	$ 6,130,266
Russia & Neighboring States	2,440,215	1,550,920
South Asia	479,354	277,448
Other countries	170,577	86,046
Sub-Saharan Africa	75,000	160,000
North America	43,063	-
	$ 11,142,185	$ 8,204,680

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 $1,137,969 and $681,449 was received from these fields during the years ended June 30, 2026 and 2025, respectively, and is included in contributions in the statements of activities. Financial support was provided to these fields in the amount of $141,263 and $152,200, during the years ended June 30, 2026 and 2025, respectively, and is included in broadcast operations expense.

13. 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 $166,046 and $172,179 for the years ended June 30, 2026 and 2025, respectively.

14. 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, 2026	June 30, 2025
Program services	$ 297,474	$ 382,716
Supporting activities:		
General and administrative	908	1,168
Fundraising	4,237	5,451
	$ 302,619	$ 389,335

15. RELATED PARTY TRANSACTIONS:

For the years ended June 30, 2026 and 2025, FEBC received donated broadcasting time from two separate companies owned by two separate board members. The total donated broadcasting time received was valued at $89,825 and $88,950, respectively. For the years ended June 30, 2026 and 2025, FEBC paid $91,000 and $91,000, respectively, for broadcasting consulting fees to a company owned by a board member.

16. SUBSEQUENT EVENTS:

On July 1, 2026 FEBC assigned and transferred to Barnabas Foundation a portion of its Charitable Gift Annuities expanding the previous arrangement where Barnabas Foundation had provided administrative services to only new Charitable Gift Annuitants.

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 7, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.