



Speaking Hope to the World®

TRANS WORLD RADIO and  
SUBSIDIARIES

Consolidated Financial Statements  
With Independent Auditor's Report

September 30, 2025 and 2024

# TRANS WORLD RADIO AND SUBSIDIARIES

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Trans World Radio and Subsidiaries  
Cary, North Carolina

### ***Opinion***

We have audited the accompanying consolidated financial statements of Trans World Radio and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Trans World Radio and Subsidiaries as of September 30, 2025 and 2024, and the changes in their 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 Consolidated Financial Statements* section of our report. We are required to be independent of Trans World Radio and Subsidiaries 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Trans World Radio and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors  
Trans World Radio and Subsidiaries  
Cary, North Carolina

***Auditor's Responsibility for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Trans World Radio and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Trans World Radio and Subsidiaries' 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.



Lawrenceville, Georgia  
May 13, 2026



# TRANS WORLD RADIO AND SUBSIDIARIES

## Consolidated Statements of Financial Position (continued)

	September 30,	
	2025	2024
LIABILITIES AND NET ASSETS, continued:		
Net assets (Note 11):		
Without donor restrictions:		
Undesignated	2,956,043	2,027,485
Designated	7,778,067	8,586,625
Equity in land, buildings, and equipment	12,669,930	15,098,991
	23,404,040	25,713,101
With donor restrictions:		
Restricted for purpose or time:		
Specified purpose	11,197,555	11,663,520
Life income	818,892	776,798
Restricted in perpetuity:		
Perpetual trust and endowment	5,915,375	5,626,923
	17,931,822	18,067,241
 Total net assets	 41,335,862	 43,780,342
 Total Liabilities and Net Assets	 \$ 55,600,027	 \$ 58,326,952

See notes to consolidated financial statements

# TRANS WORLD RADIO AND SUBSIDIARIES

## Consolidated Statements of Activities

	Year Ended September 30,							
	2025				2024			
	Without Donor Restrictions	With Donor Restrictions – Purpose/Time	With Donor Restrictions – in Perpetuity	Total	Without Donor Restrictions	With Donor Restrictions – Purpose/Time	With Donor Restrictions – in Perpetuity	Total
<b>SUPPORT AND REVENUE:</b>								
Support:								
Missionary support	\$ 5,557,257	\$ 2,170,120	\$ -	\$ 7,727,377	\$ 6,278,887	\$ 1,064,404	\$ -	\$ 7,343,291
General	7,547,448	6,334,774	-	13,882,222	8,643,594	5,862,821	-	14,506,415
Legacies and bequests	2,215,762	-	-	2,215,762	949,538	-	-	949,538
Contributed services	1,437,095	-	-	1,437,095	1,400,557	-	-	1,400,557
Gift portion of new split interest agreements	303,460	-	-	303,460	461,431	-	-	461,431
	<u>17,061,022</u>	<u>8,504,894</u>	<u>-</u>	<u>25,565,916</u>	<u>17,734,007</u>	<u>6,927,225</u>	<u>-</u>	<u>24,661,232</u>
Revenue:								
Media services	10,282,272	-	-	10,282,272	11,511,640	-	-	11,511,640
Investment	996,104	1,247	288,452	1,285,803	1,506,409	1,098	772,835	2,280,342
Change in value of split interest agreements (Note 10)	482,861	42,093	-	524,954	1,600,493	120,163	-	1,720,656
Other	197,119	-	-	197,119	752,406	-	-	752,406
	<u>11,958,356</u>	<u>43,340</u>	<u>288,452</u>	<u>12,290,148</u>	<u>15,370,948</u>	<u>121,261</u>	<u>772,835</u>	<u>16,265,044</u>
Total Support and Revenue	<u>29,019,378</u>	<u>8,548,234</u>	<u>288,452</u>	<u>37,856,064</u>	<u>33,104,955</u>	<u>7,048,486</u>	<u>772,835</u>	<u>40,926,276</u>
<b>RECLASSIFICATIONS:</b>								
Net assets released from restriction:								
Satisfaction of purpose restrictions	8,972,105	(8,972,105)	-	-	9,794,289	(9,794,289)	-	-

(continued)

See notes to consolidated financial statements

# TRANS WORLD RADIO AND SUBSIDIARIES

## Consolidated Statements of Activities (continued)

	Year Ended September 30,							
	2025				2024			
	Without Donor Restrictions	With Donor Restrictions – Purpose/Time	With Donor Restrictions – in Perpetuity	Total	Without Donor Restrictions	With Donor Restrictions – Purpose/Time	With Donor Restrictions – in Perpetuity	Total
EXPENSES:								
Program services:								
Media services	30,843,519	-	-	30,843,519	30,064,803	-	-	30,064,803
Missions awareness	2,347,304	-	-	2,347,304	2,047,210	-	-	2,047,210
	33,190,823	-	-	33,190,823	32,112,013	-	-	32,112,013
Supporting activities:								
Management and general	2,784,357	-	-	2,784,357	2,473,688	-	-	2,473,688
Fundraising	4,470,977	-	-	4,470,977	4,111,169	-	-	4,111,169
	7,255,334	-	-	7,255,334	6,584,857	-	-	6,584,857
Total Expenses	40,446,157	-	-	40,446,157	38,696,870	-	-	38,696,870
Change in Net Assets								
before Translation Adjustment	(2,454,674)	(423,871)	288,452	(2,590,093)	4,202,374	(2,745,803)	772,835	2,229,406
Translation Adjustment	145,613	-	-	145,613	277,124	-	-	277,124
Change in Net Assets	(2,309,061)	(423,871)	288,452	(2,444,480)	4,479,498	(2,745,803)	772,835	2,506,530
Net Assets, Beginning of Year	25,713,101	12,440,318	5,626,923	43,780,342	21,233,603	15,186,121	4,854,088	41,273,812
Net Assets, End of Year	\$ 23,404,040	\$ 12,016,447	\$ 5,915,375	\$ 41,335,862	\$ 25,713,101	\$ 12,440,318	\$ 5,626,923	\$ 43,780,342

See notes to consolidated financial statements

# TRANS WORLD RADIO AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

	Year Ended September 30,	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (2,444,480)	\$ 2,506,530
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,006,574	1,020,477
Unrealized/realized gain on investments	(1,034,119)	(3,062,814)
(Gain) loss on sale of land, buildings, and equipment	367,405	(2,284)
Change in value of charitable trusts	(42,093)	(120,163)
Actuarial change in charitable gift annuities	(354,989)	(25,036)
Change in land, buildings, and equipment due to currency translation	(177,945)	(427,147)
Changes in operating assets and liabilities:		
Receivables	16,840	131,935
Prepaid expenses and other current assets	1,298	(251,064)
Other assets	123,289	(1,003,634)
Trade payables	48,946	(378,845)
Accrued expenses	(13,877)	(77,716)
Employee benefit obligations	(544,432)	(555,108)
Net Cash Used by Operating Activities	(1,047,583)	(2,244,869)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisitions of land, buildings, and equipment	(775,523)	(1,408,248)
Proceeds from sale of land, buildings, and equipment	8,550	99,483
Investment income from charitable trusts	(139,465)	(419,980)
Proceeds from sales of investments	3,481,005	1,668,459
Acquisitions of investments	(910,322)	(3,196,011)
Maturities of charitable gift annuities	157,598	(212,290)
Payments on charitable gift annuities	704,499	685,073
Net Cash Provided (Used) by Investing Activities	2,526,342	(2,783,514)

(continued)

See notes to consolidated financial statements

# TRANS WORLD RADIO AND SUBSIDIARIES

## Consolidated Statements of Cash Flows (continued)

	Year Ended September 30,	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from new annuities and trusts	1,056,085	2,029,475
Gift portion of new charitable gift annuities	(303,460)	(461,431)
Payments on annuities and trusts	<u>(851,257)</u>	<u>(827,093)</u>
Net Cash Provided (Used) by Financing Activities	<u>(98,632)</u>	<u>740,951</u>
Net Change in Cash and Cash Equivalents	1,380,127	(4,287,432)
Cash and Cash Equivalents, Beginning of Year	<u>6,183,566</u>	<u>10,470,998</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,563,693</u>	<u>\$ 6,183,566</u>

See notes to consolidated financial statements

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

1. NATURE OF ORGANIZATION:

Trans World Radio and Subsidiaries (collectively known as TWR), is an independent evangelical association of churches. TWR is exempt from state and federal income taxes under Sections 501(c)(3) and 170(b)(1)(A)(i) of the U.S. Internal Revenue Code and is classified as an entity that is not a private foundation. Contributions by the public may be deductible for income tax purposes.

The primary focus of TWR is to reach the world for Christ by mass media so that lasting fruit is produced. TWR also eagerly supports the work of evangelism and Christian nurturing in countries where church activity is permissible, working in harmony with Christian missionaries and evangelical churches worldwide. TWR accomplishes this goal through program services described below:

*Media Services*—TWR engages millions of people in 190 countries through Bible-based content distributed in more than 200 languages and dialects. The ministry encompasses a global network of partnerships, high-powered radio broadcasts, online streaming, portable media devices, satellite delivery, printed publications, and various digital platforms.

*Missions Awareness*—The costs of *TWR* magazine and other publications and activities are used to raise public awareness of God's work through global missions.

The consolidated financial statements include the accounts of Trans World Radio and all entities over which Trans World Radio exercises control. Control is defined as the power to govern the financial and operating policies of an entity in order to obtain benefits or further Trans World Radio's purposes. Trans World Radio carries out certain programmatic, administrative, and support activities through a network of international entities that are legally separate but are controlled by Trans World Radio through governance, contractual arrangements, or other means.

TWR operates in various countries through a variety of controlled entities, including nonprofit organizations, for-profit entities, branches, and limited liability companies established to comply with local laws and regulations. These entities support Trans World Radio's mission by facilitating program delivery, managing regional operations, employing local staff, or holding assets in jurisdictions where direct foreign ownership is restricted. While each entity is legally distinct, Trans World Radio has the ability to direct their activities and financial policies, appoint or remove governing board members, and/or has the right to the majority of benefits or exposure to risks associated with their operations. Accordingly, these entities are consolidated in the accompanying financial statements.

Due to security, regulatory, and operational considerations, as well as the immateriality of individual entity-level disclosures to the consolidated financial statements, TWR does not present the names or financial details of each controlled entity separately. Management evaluates on an ongoing basis whether changes in governance structures, contractual rights, or regulatory environments affect TWR's conclusion regarding control.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

1. NATURE OF ORGANIZATION, continued:

To fulfill its religious, educational, and evangelistic objectives, TWR works with thousands of churches and hundreds of cooperating media ministries. In addition, independent groups, known as national partners, have been formed legally in numerous countries for the express purpose of working with TWR in program production, distribution and transmission; training; and listener follow-up.

TWR is organizationally structured to reflect its fraternal relationship with the national partners, cooperating program producers, and supporting churches. In some cases, interlocking board relationships exist between TWR and its national partners and cooperating program producers. The primary sources of funding for TWR are donations and airtime sponsorship from individuals, churches, national partners, and cooperating media ministries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

TWR maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

### PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include Trans World Radio and the various consolidated entities (see Note 1). All significant intercompany transactions and balances have been eliminated from these consolidated financial statements.

TWR is also affiliated with organizations in approximately 70 countries which are not under TWR's control. The financial position and results of operations of those entities are not consolidated nor presented in these consolidated financial statements.

### USE OF ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand; checking, savings, and money market accounts; and certificates of deposit with original maturities of three months or less. The amounts held at the bank may, at times, exceed federally insured deposit levels. At September 30, 2025 and 2024, TWR's cash balances exceeded federally insured limits by approximately \$3,820,000 and \$2,700,000, respectively.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

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

#### RECEIVABLES—NET

Receivables are reported net of any anticipated losses due to uncollectible accounts. TWR's policy for determining when receivables are past due or delinquent is 30 days after invoicing. Uncollectible accounts are reported as additions to the allowance for credit losses when it is determined the amounts are uncollectible.

The allowance for credit losses is maintained at a level which, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. The amount of the allowance is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, specific impaired accounts, and current and future economic conditions.

#### PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses, including recoverable investments in unowned broadcast facilities and spare parts inventory, are recognized as expense when placed in service or used in operations. At September 30, 2025 and 2024, no reserve for obsolescence has been recorded, as management believes all spare parts inventory are useable.

#### INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment revenue (loss) without donor restrictions in the accompanying consolidated statements of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy. Investments do not represent significant concentrations of market risk inasmuch as the investment portfolio is adequately diversified among many issuers.

#### LAND, BUILDINGS, EQUIPMENT, AND DEPRECIATION

Items capitalized as land, buildings, and equipment are recorded at cost. Donated assets are recorded at fair value on the date of gift. Purchases of land, buildings, and equipment valued at \$5,000 or more and expenses for capital improvements valued at \$15,000 or more are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Cost and accumulated depreciation applicable to assets retired or disposed of are eliminated from the accounts, and any resulting gains or losses are included in other revenue in the accompanying consolidated statements of activities. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to 30 years.

TWR accounts for land, buildings, and equipment in foreign locations in accordance with the functional currency provisions of the *Foreign Currency Matters* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). This has resulted in a translation adjustment gain (loss) of \$177,945 and \$427,147 for the years ended September 30, 2025 and 2024, respectively, to land, buildings, and equipment with functional currencies that differ from the reporting currency.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

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

#### PERPETUAL TRUST HELD BY OTHERS

Perpetual trust held by others consists of a one-eighth beneficial interest. The trust assets consist of cash and cash equivalents and marketable securities. The trust assets are carried at fair value as of the date of the consolidated financial statements. When possible, the fair value of investments held as trustee or agent are determined by reference to quoted market prices. When quoted market prices are not available, fair value is estimated by reference to market values for similar securities or by discounting cash flows at an appropriate risk rate, taking into consideration the varying degrees of risk specific to each financial asset. Interest earned of \$258,924 and \$198,255 received during the years ended September 30, 2025 and 2024, respectively, is included in investment revenue without donor restrictions in the accompanying consolidated statements of activities.

#### NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

*Net assets without donor restrictions* are currently available for ministry purposes under the direction of the board, designated by the board for specific use, or resources invested in land, buildings, and equipment net of accumulated depreciation.

*Net assets with donor restrictions for purpose or time* are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

*Net assets with donor restrictions in perpetuity* consist of one perpetual trust held by others and one endowment held and administered directly by TWR. The perpetual trust held by others fair market value as of September 30, 2025 and 2024, was \$5,471,352 and \$5,204,597, respectively. The endowment consists of common stock with a fair market value as of September 30, 2025 and 2024, of \$444,026 and \$422,326, respectively. Substantially all of the net asset balance is comprised of the perpetual trust held by others. Therefore, the disclosure requirements related to net assets with donor restrictions in perpetuity as prescribed by the *Endowment* topic of the FASB ASC are not included due to immateriality.

#### SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Contributions are recognized when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Noncash gifts are recorded at their estimated fair market value on the date of donation.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

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

#### SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

Media services revenue is recorded when the performance obligation is met, which is when broadcasts are aired or when media services are provided. TWR enters into agreements with media partners for broadcasting. Although terms of the agreements vary, the price charged to the media partners is based on the number of on-air spots the media partner receives. Media partners typically pay monthly and prepayments are deferred at fiscal year-end. Contracts vary in length from several months to a year, and are structured with monthly payment terms.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

TWR reports donations of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, TWR reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses, including advertising and promotion costs of \$1,982,071 and \$1,686,298 for the years ended September 30, 2025 and 2024, respectively, are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities of TWR have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

In connection with promotional mailings, missionary furloughs, and other informational activities, TWR incurred joint costs of \$6,706,321 and \$5,282,128 for the years ended September 30, 2025 and 2024, respectively. Of those costs, \$3,485,742 and \$2,573,992 were allocated to program services, \$20,653 and \$15,647 were allocated to management and general, and \$3,199,926 and \$2,692,489 were allocated to fundraising for the years ended September 30, 2025 and 2024, respectively.

TWR has entered into foreign currency exchange contracts to hedge exposure to future spending activity denominated in foreign currencies in areas where it conducts significant business. As of September 30, 2025, TWR has varying monthly commitment amounts through March 2028 for notional amounts approximating \$1,280,000 for the African Rand, \$1,231,000 for the Singapore Dollar, and \$1,464,000 for the European Union Euro. For the year ended September 30, 2025, the currency exchange transaction asset (see Note 5) is included with prepaid expenses and other current assets in the accompanying consolidated statement of position.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

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

#### CONTRIBUTED SERVICES

Contributed services represent donated skilled services and includes the cost of salary, benefits, and work expenses for approximately 35 individuals involved in engineering, broadcast operations, and broadcast administration. Contributed services are reported as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by TWR. During the years ended September 30, 2025 and 2024, contributed services meeting the criteria for recognition in the consolidated financial statements totaled \$1,437,095 and \$1,400,557, respectively.

#### INTENTIONS TO GIVE

TWR receives indications of intent to support ministries that are commitments to provide monthly, quarterly, or annual gifts of a specified amount. These commitments are open-ended and subject to unilateral change by the donor. Because the commitments do not express a term or period, the amount of the commitment is not measurable. Considering these factors, the commitments are not considered to be unconditional promises to give and are not recognized prior to receipt of the contribution.

#### FOREIGN OPERATIONS

In connection with its worldwide ministry, TWR maintains broadcasting stations and other supporting facilities in various countries outside the United States. As of September 30, 2025 and 2024, current assets in other countries, including cash, securities, receivables, prepaid expenses, and inventories, totaled \$3,010,799 and \$2,748,241, respectively; noncurrent assets, other than land, buildings, and equipment, were \$1,324,700 and \$1,389,444, respectively; land, buildings, and equipment, at cost-net amounted to \$6,253,013 and \$6,338,023, respectively; and liabilities in other countries were \$1,370,734 and \$1,319,912, respectively. Total overseas support and revenue received from foreign sources amounted to \$5,928,332 and \$5,685,423 for the years ended September 30, 2025 and 2024, respectively. Account balances relating to foreign operations are reflected in the consolidated financial statements in United States dollars.

#### DISCONTINUED OPERATIONS

During the fiscal year ended September 30, 2025, the Organization made the determination to cease broadcasting operations at its shortwave facility in Guam as of October 31, 2025. Management evaluated the closure under ASC 205-20, *Discontinued Operations*, and determined that the closure does not represent a strategic shift that has a major effect on the Organization's operations and financial results as broadcasts will continue from other locations effectively serving the same audiences. The Organization's mission encompasses a diverse media portfolio including major shortwave and mediumwave stations, national networks, local AM/FM stations, and digital platforms; the discontinuation of an individual station is a tactical adjustment rather than a change in strategic direction. Additionally, the Guam facility generated limited non-intercompany revenue, and certain assets were transferred rather than abandoned. Accordingly, the closure has not been reported as a discontinued operation, and separate discontinued operations presentations on the consolidated statements of financial position and activities have not been included in these consolidated financial statements. The Organization recognized closure-related costs incurred as of September 30, 2025, which are included in the accompanying consolidated statement of activities.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects TWR's financial assets as of September 30, 2025 and 2024, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. TWR considers general expenditures to be all expenditures related to its ongoing activities to proclaim the Gospel of our Lord and Savior Jesus Christ in areas of the world where other forms of Christian witness may not be possible as well as the conduct of services undertaken to support those activities to be general expenditures.

	September 30,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 7,563,693	\$ 6,183,566
Receivables–net	1,635,363	1,652,203
Investments	22,231,158	24,111,727
Trust assets	2,715,485	2,659,932
Perpetual trust held by others and endowment	5,915,375	5,626,923
Financial assets, at year-end	40,061,074	40,234,351
Less those not available for general expenditure within one year, due to:		
Perpetual trust held by others and endowment not convertible to cash within next 12 months	(5,915,375)	(5,626,923)
Life income net assets	(818,892)	(776,798)
Board-designated for various purposes	(4,932,245)	(5,841,840)
Minimum state required annuity reserves	(2,845,822)	(2,744,785)
	(14,512,334)	(14,990,346)
Financial assets available to meet cash needs for general expenditures within one year	\$ 25,548,740	\$ 25,244,005

As part of TWR's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Board-designated reserves can be released upon resolution of the board and used for general expenditures. Prepaid expenses on the consolidated statements of financial position will reduce cash needed for general expenditures in the subsequent year. At September 30, 2025 and 2024, TWR has \$11,197,555 and \$11,663,520, respectively, in net assets with donor restrictions for missionary and project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor-restricted purposes.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

TWR considers support with and without donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and program service commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during TWR's fiscal year.

TWR maintains a line of credit at a North Carolina financial institution. As of September 30, 2025, this line permitted TWR to borrow up to \$1,500,000 and is secured by real property in Cary, North Carolina. No commitment fees or compensating balances are required. As of September 30, 2025 and 2024, this line of credit bears interest at a rate equal to the Secured Overnight Financing Rate (SOFR) plus 200 basis points and the Daily Bloomberg Short-Term Bank Yield Index Rate (BSBY) plus 200 basis points, respectively (or 6.24% as of September 30, 2025, and 6.91% as of September 30, 2024) and has a maturity date of June 30, 2026. As of September 30, 2025 and 2024, TWR had no outstanding borrowings against this line of credit.

4. RECEIVABLES—NET:

Receivables—net consist of:

	September 30,	
	2025	2024
Broadcasters—net of allowance for credit losses of \$150,000 for both years ended	\$ 1,002,330	\$ 1,141,227
Advances to employees	387,444	202,518
Due from suppliers/affiliates	245,589	308,458
	\$ 1,635,363	\$ 1,652,203

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

Prepaid expenses and other current assets consist of:

	September 30,	
	2025	2024
Spare parts inventory	\$ 721,260	\$ 674,859
Currency exchange contract asset (see Note 2)	162,892	128,120
Rents and deposits	54,770	82,778
Other prepaids	571,374	625,817
	\$ 1,510,296	\$ 1,511,574

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

6. INVESTMENTS:

Investments held at fair value consist of:

	September 30,	
	2025	2024
Operating and specified purpose:		
Exchanged traded funds	\$ 30,672	\$ 6,195
Fixed income securities	9,049,344	11,460,740
Mutual funds	3,740,103	3,199,952
	12,820,119	14,666,887
 Annuities (Life income):		
Exchange traded funds	5,295,134	4,368,633
Fixed income securities	2,178,991	2,017,327
Mortgage-backed securities	909,027	864,273
Mutual funds	1,027,887	2,194,607
	9,411,039	9,444,840
	\$ 22,231,158	\$ 24,111,727

7. OTHER ASSETS:

Long-term investments and other assets consist of:

	September 30,	
	2025	2024
Cash surrender value of life insurance	\$ 34,047	\$ 32,186
Prepayment of airtime	-	60,406
Broadcasting facility development costs—net of amortization of \$423,201 and \$358,784, respectively	1,324,700	1,389,444
	1,358,747	1,482,036
	\$ 1,358,747	\$ 1,482,036

Broadcasting facility development costs represent amounts invested in the development of new and improved broadcast facilities in Central Asia. The funds advanced to the station owners will be recovered through reduced airtime charges to TWR for the programs broadcast by TWR.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

8. LAND, BUILDINGS, AND EQUIPMENT, AT COST–NET:

Land, buildings, and equipment, at cost–net consist of:

	September 30,			September 30,
	2025			2024
	United States	Other Countries	Total	Total
Land	\$ 1,228,188	\$ 748,091	\$ 1,976,279	\$ 1,929,571
Buildings	8,258,086	4,027,176	12,285,262	12,038,328
Transmitting, generating, and testing equipment	5,535,928	7,733,122	13,269,050	11,654,823
Furniture and equipment	5,456,339	1,374,973	6,831,312	6,519,786
	20,478,541	13,883,362	34,361,903	32,142,508
Less accumulated depreciation	(14,162,289)	(8,140,568)	(22,302,857)	(19,366,056)
	6,316,252	5,742,794	12,059,046	12,776,452
Construction in progress	100,665	510,219	610,884	2,322,539
	\$ 6,416,917	\$ 6,253,013	\$ 12,669,930	\$ 15,098,991
Net book value of land, buildings, and equipment	\$ 6,416,917	\$ 6,253,013	\$ 12,669,930	\$ 15,098,991

9. ANNUITIES PAYABLE:

TWR has established a gift annuity plan whereby donors may contribute assets to TWR in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the liability for future payments, determined on an actuarial basis, is recognized as a gift without donor restrictions for long-term purposes. The annuity liability is revalued annually based upon actuarially computed present values (at an interest rate of 6.0% annually) and is carried at the present value of future cash payments. The resulting actuarial gain or loss is included with change in value of split interest agreements in the accompanying consolidated statements of activities.

Annuities payable consist of:

	September 30,	
	2025	2024
Computed present value	\$ 7,278,053	\$ 7,064,594
Less current portion	(911,597)	(882,587)
	\$ 6,366,456	\$ 6,182,007

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

9. ANNUITIES PAYABLE, continued:

Several states have specific requirements for calculating the investment assets TWR must hold to provide resources for paying obligations to annuitants. TWR holds these reserves as designated net assets without donor restrictions in the accompanying consolidated statements of financial position.

10. TRUST ASSETS, OBLIGATIONS, AND NET ASSETS:

TWR administers charitable remainder trusts. These trusts provide 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 remaindermen. The present value of the portion of the trusts attributable to the remainder interest of TWR is recorded on the consolidated statements of activities as a contribution with donor restrictions in the period received, as net assets with donor restrictions. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications. Certain trusts contain provisions to distribute assets to remaindermen other than TWR. The portion attributable to others is reflected as a liability in the consolidated statements of financial position.

	September 30,	
	2025	2024
Trust assets—at fair value:		
Cash and cash equivalents	\$ 90,598	\$ 67,201
Exchange traded funds	999,405	800,556
Mutual funds	1,625,482	1,792,175
	<u>\$ 2,715,485</u>	<u>\$ 2,659,932</u>
Trust obligations and net assets:		
Trust obligations:		
Current portion of irrevocable trusts	\$ 147,344	\$ 144,031
Irrevocable trusts, net of current portion	1,749,249	1,739,103
	<u>1,896,593</u>	<u>1,883,134</u>
Trust net assets	<u>818,892</u>	<u>776,798</u>
	<u>\$ 2,715,485</u>	<u>\$ 2,659,932</u>

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

10. TRUST ASSETS, OBLIGATIONS, AND NET ASSETS, continued:

An actuarial adjustment is recognized in the consolidated statements of activities within the changes in the value of annuities and trusts. Changes in value includes:

	Year Ended September 30,	
	2025	2024
Interest and dividends	\$ 488,605	\$ 424,746
Realized and unrealized gains	827,662	2,214,919
Actuarial adjustments	186,351	24,105
Advisory fees and other expenses	(126,407)	(116,021)
Payments to income beneficiaries	(851,257)	(827,093)
	\$ 524,954	\$ 1,720,656

11. NET ASSETS:

Net assets consist of:

	September 30,	
	2025	2024
Without donor restrictions:		
Undesignated:		
Available for ministry purposes	\$ 5,075,422	\$ 4,691,296
Unfunded employee benefit obligations (Note 14)	(2,119,379)	(2,663,811)
	2,956,043	2,027,485
Designated:		
Board-designated for various purposes	4,932,245	5,841,840
Minimum state required annuity reserves	2,845,822	2,744,785
	7,778,067	8,586,625
Equity in land, buildings, and equipment	12,669,930	15,098,991
	\$ 23,404,040	\$ 25,713,101

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

11. NET ASSETS, continued:

	September 30,	
	2025	2024
With donor restrictions:		
Restricted for purpose or time:		
Specified purpose:		
Restricted for future ministry activities:		
Missionary equipment	\$ 1,769,612	\$ 1,586,704
Women’s ministry	919,462	979,000
Children and youth ministry	170,111	261,913
HIV/AIDS and health issues ministry	193,874	214,002
Leadership and communicators ministry	2,032,258	1,259,232
Extending the Reach	3,353,910	4,086,384
Other ministry initiatives	2,758,328	3,276,285
	11,197,555	11,663,520
Life income:		
Charitable remainder trusts (Note 10)	818,892	776,798
Restricted in perpetuity:		
Perpetual trust and endowment	5,915,375	5,626,923
	\$ 17,931,822	\$ 18,067,241

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

12. EXPENSES BY BOTH NATURE AND FUNCTION:

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of TWR. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include depreciation, payroll, facilities, operations and other expenses. Depreciation is allocated based on square footage and the programmatic purpose of the asset being depreciated. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense. Functional expenses by natural classification for the year ended September 30, 2025:

	Program Services			Supporting Activities			Total Expenses
	Media Services	Missions Awareness	Subtotal	Management and General	Fundraising	Subtotal	
Payroll and personnel	\$ 13,430,359	\$ 1,671,766	\$ 15,102,125	\$ 1,685,463	\$ 2,002,409	\$ 3,687,872	\$ 18,789,997
Purchased airtime	3,161,899	-	3,161,899	-	-	-	3,161,899
Ministry grants and national partner development	4,890,586	10,118	4,900,704	6,742	16,450	23,192	4,923,896
General office	1,866,733	243,852	2,110,585	225,723	348,656	574,379	2,684,964
Broadcast operations	1,699,688	16,014	1,715,702	165	35,080	35,245	1,750,947
Travel	854,150	106,744	960,894	109,182	121,457	230,639	1,191,533
Depreciation	2,887,133	30,795	2,917,928	30,678	57,968	88,646	3,006,574
Fund development	73,189	118,710	191,899	24	1,790,146	1,790,170	1,982,069
Program production	920,126	1,607	921,733	47	868	915	922,648
Insurance	269,096	916	270,012	469,866	1,455	471,321	741,333
Consulting fees	308,139	9,449	317,588	196,675	25,191	221,866	539,454
Meetings	81,027	20,007	101,034	1,389	12,114	13,503	114,537
Finance	270,224	1,907	272,131	58,403	2,335	60,738	332,869
Missionary ministry funds	131,170	115,419	246,589	-	56,848	56,848	303,437
	<u>\$ 30,843,519</u>	<u>\$ 2,347,304</u>	<u>\$ 33,190,823</u>	<u>\$ 2,784,357</u>	<u>\$ 4,470,977</u>	<u>\$ 7,255,334</u>	<u>\$ 40,446,157</u>

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

12. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Functional expenses by natural classification for the year ended September 30, 2024:

	Program Services			Supporting Activities			Total Expenses
	Media Services	Missions Awareness	Subtotal	Management and General	Fundraising	Subtotal	
Payroll and personnel	\$ 13,703,760	\$ 1,386,606	\$ 15,090,366	\$ 1,589,744	\$ 1,873,386	\$ 3,463,130	\$ 18,553,496
Purchased airtime	3,975,967	-	3,975,967	-	-	-	3,975,967
Ministry grants and national partner development	4,890,470	8,209	4,898,679	11,996	23,709	35,705	4,934,384
General office	1,935,969	228,956	2,164,925	184,981	306,295	491,276	2,656,201
Broadcast operations	1,658,853	16,300	1,675,153	145	32,229	32,374	1,707,527
Travel	837,143	115,020	952,163	49,925	148,977	198,902	1,151,065
Depreciation	899,858	31,099	930,957	30,981	58,539	89,520	1,020,477
Fund development	2,490	122,943	125,433	-	1,560,865	1,560,865	1,686,298
Program production	948,021	2,515	950,536	-	581	581	951,117
Insurance	243,638	827	244,465	431,341	1,189	432,530	676,995
Consulting fees	464,902	8,275	473,177	113,590	23,892	137,482	610,659
Meetings	133,850	17,481	151,331	3,124	27,031	30,155	181,486
Finance	279,348	2,562	281,910	53,130	2,810	55,940	337,850
Missionary ministry funds	90,534	106,417	196,951	4,731	51,666	56,397	253,348
	<u>\$ 30,064,803</u>	<u>\$ 2,047,210</u>	<u>\$ 32,112,013</u>	<u>\$ 2,473,688</u>	<u>\$ 4,111,169</u>	<u>\$ 6,584,857</u>	<u>\$ 38,696,870</u>

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

13. COMMITMENTS:

**AIRTIME COMMITMENTS**

In addition to their own transmitting facilities, TWR has entered into contracts with various foreign corporations to purchase airtime in order to air international gospel programs. The agreements specify minimum levels of time usage at various rates and are subject to periodic review by the foreign corporations.

14. EMPLOYEE BENEFIT OBLIGATIONS:

**DEFINED CONTRIBUTION PLAN**

Effective in 2009, TWR established a new 401(k) plan (the Plan) for U.S. staff and missionaries, which was reclassified as a 403(b) plan in 2022. TWR provides a 50% match for U.S. based employees contributing up to 6% of their base salary. For U.S. missionaries serving outside the U.S., TWR contributes 9% of the missionaries' U.S. base pay rate. U.S. missionaries and staff may make additional voluntary contributions which are not matched by TWR. TWR contributed \$282,457 and \$293,259 in matching contributions to the Plan for the years ended September 30, 2025 and 2024, respectively. Employee contributions vest at time of payment into the Plan. TWR's contributions become fully vested after three years of service. All employees may start contributions from the date of employment. TWR begins matching U.S. staff contributions immediately upon employment.

**AD HOC RETIREMENT PLAN**

In recognition of years of service prior to TWR implementing its 401(k) plan described above, TWR provides a supplemental pension allowance and certain other retiree welfare benefits, including medical and life insurance benefits, to qualifying U.S. employees which qualifies as a defined benefit plan. In 2007, the board froze the plan to any additional participants.

The ad hoc plan's current and future benefits are funded by undesignated net assets without donor restrictions of TWR (see Note 11). The following table sets forth the amounts recognized in the consolidated statements of financial position:

	Pension Benefits		Retiree Welfare Benefits	
	2025	2024	2025	2024
Change in benefit obligation:				
Benefit obligation, October 1	\$ 1,268,148	\$ 1,517,085	\$ 1,395,663	\$ 1,701,834
Interest cost	57,751	64,963	60,614	66,082
Actuarial gain/(loss)	(108,603)	(108,604)	(201,400)	(201,400)
Benefits paid	(190,565)	(205,296)	(162,229)	(170,853)
Benefit obligation, September 30	\$ 1,026,731	\$ 1,268,148	\$ 1,092,648	\$ 1,395,663

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

14. EMPLOYEE BENEFIT OBLIGATIONS, continued:

AD HOC RETIREMENT PLAN, continued

Components of net periodic benefit costs for the years ended September 30, 2025 and 2024, are as follows:

	Pension Benefits		Retiree Welfare Benefits	
	2025	2024	2025	2024
Components of net periodic benefit cost:				
Interest cost	\$ 57,751	\$ 64,963	\$ 60,614	\$ 66,082
Amortization of unrecognized net gain	61,049	58,243	(159,400)	(157,305)
Net periodic pension cost	\$ 118,800	\$ 123,206	\$ (98,786)	\$ (91,223)

Weighted-average assumptions and method disclosures as of September 30, 2025 and 2024, include:

	Pension Benefits		Retiree Welfare Benefits	
	2025	2024	2025	2024
Discount rate	5.42%	5.42%	5.44%	5.44%
Average life expectancy of participants	7 years	8 years	7 years	8 years

Furthermore, for purposes of calculating the benefit obligation for the post-retirement other benefit component, TWR assumed an initial 6.25% and 6.50% health care cost trend for participants for the years ended September 30, 2025 and 2024, respectively.

Based upon participants involved, TWR's expected contribution is as follows and accordingly classified on the consolidated statements of financial position:

	September 30,	
	2025	2024
Employee benefit obligation (including pension and retiree welfare benefits)	\$ 2,119,379	\$ 2,663,811
Less current portion	(328,127)	(662,797)
Employee benefit obligation—net of current portion	\$ 1,791,252	\$ 2,001,014

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

### 14. EMPLOYEE BENEFIT OBLIGATIONS, continued:

AD HOC RETIREMENT PLAN, continued

*Estimated Future Benefit Payments*—The following benefit payments, which reflect expected future service as appropriate, are expected to be paid:

<u>Years Ending September 30,</u>	<u>Pension Benefits</u>	<u>Retiree Welfare Benefits</u>
2026	\$ 175,398	\$ 152,729
2027	160,064	142,491
2028	144,803	131,662
2029	129,615	120,242
2030	114,500	108,231
Thereafter	302,351	437,293
	<u>\$ 1,026,731</u>	<u>\$ 1,092,648</u>

### 15. CONCENTRATIONS:

Three broadcasters represent approximately 41% of total broadcast revenue for the year ended September 30, 2025, and approximately 44% of total broadcast revenue for the year ended September 30, 2024. TWR's operations and program activities could be impacted if these relationships were to be terminated and could not be replaced by new ones with comparable amounts.

### 16. RELATED PARTY TRANSACTIONS:

Support and revenue provided by affiliated organizations (as described in Note 1) approximated \$2,749,000 and \$2,399,000 plus approximately \$1,128,000 and \$916,000 in contributed services for the years ended September 30, 2025 and 2024, respectively.

Grants to affiliated organizations and payments for services rendered and for other development costs totaled \$4,925,150 and \$4,938,646 for the years ended September 30, 2025 and 2024, respectively.

### 17. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. TWR uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, TWR measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

### 17. FAIR VALUE MEASUREMENTS, continued:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated 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 September 30, 2025 and 2024:

	September 30, 2025			
	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:				
Exchanged traded funds:				
International	\$ 303,207	\$ 303,207	\$ -	\$ -
Bond	526,947	526,947	-	-
Large cap	3,978,014	3,978,014	-	-
Mid cap	223,717	223,717	-	-
Small cap	147,293	147,293	-	-
REITs	103,700	103,700	-	-
Other	42,928	42,928	-	-
Fixed income securities:				
Bond	2,165,730	2,165,730	-	-
Municipal	13,261	-	13,261	-
Short bond	9,049,344	9,049,344	-	-
Mortgage-backed securities:				
Intermediate bond	77,007	77,007	-	-
Short bond	20,131	20,131	-	-
Long bond	811,889	811,889	-	-
Mutual funds:				
International	1,669,100	1,669,100	-	-
Intermediate bond	1,444,078	1,444,078	-	-
Small cap	639,152	639,152	-	-
REITs	465,473	465,473	-	-
Other	550,187	550,187	-	-
Total investments, at fair value	<u>\$ 22,231,158</u>	<u>\$ 22,217,897</u>	<u>\$ 13,261</u>	<u>\$ -</u>

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

17. FAIR VALUE MEASUREMENTS, continued:

	September 30, 2025			
	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Trust assets, at fair value:				
Cash and cash equivalents	\$ 90,598	\$ 90,598	\$ -	\$ -
Exchange traded funds:				
Bond	86,403	86,403	-	-
Large cap	856,480	856,480	-	-
Small cap	1,525	1,525	-	-
Other	54,997	54,997	-	-
Mutual funds:				
International	413,441	413,441	-	-
Intermediate bond	899,515	899,515	-	-
Small cap	203,826	203,826	-	-
REITs	108,700	108,700	-	-
Total trust assets, at fair value	\$ 2,715,485	\$ 2,715,485	\$ -	\$ -

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

17. FAIR VALUE MEASUREMENTS, continued:

	September 30, 2025			
	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Assets held in perpetual trust and endowment assets, at fair value:				
Cash and cash equivalents	\$ 124,635	\$ 62,485	\$ -	\$ 62,150
Corporate stock	189,540	189,540	-	-
Exchange traded funds:				
US large cap	1,524,325	-	-	1,524,325
US mid cap	751,151	-	-	751,151
US small cap	383,736	-	-	383,736
International developed	627,708	-	-	627,708
Emerging markets	438,620	-	-	438,620
Mutual funds:				
Large cap	42,113	42,113	-	-
Small cap	15,753	15,753	-	-
International	61,336	61,336	-	-
REIT	9,679	9,679	-	-
Bond	63,117	63,117	-	-
Fixed income bonds:				
Investment grade taxable	337,891	-	-	337,891
International developed	49,788	-	-	49,788
Global high yield taxable	39,914	-	-	39,914
Other:				
Hedge funds	1,023,217	-	-	1,023,217
Private equity fund	117,341	-	-	117,341
Commodities	115,511	-	-	115,511
Total assets held in perpetual trust and endowment assets, at fair value	\$ 5,915,375	\$ 444,023	\$ -	\$ 5,471,352

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

17. FAIR VALUE MEASUREMENTS, continued:

	September 30, 2024			
	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Investments, at fair value:				
Exchange traded funds:				
International	\$ 266,893	\$ 266,893	\$ -	\$ -
Bond	491,509	491,509	-	-
Large cap	3,324,014	3,324,014	-	-
Small cap	149,871	149,871	-	-
REITs	117,229	117,229	-	-
Other	25,312	25,312	-	-
Fixed income securities:				
Bond	1,998,852	1,998,852	-	-
Municipal	18,475	-	18,475	-
U.S. Treasuries	11,460,740	11,460,740	-	-
Mortgage-backed securities:				
Intermediate bond	34,931	34,931	-	-
Short bond	20,238	20,238	-	-
Long bond	809,104	809,104	-	-
Mutual funds:				
International	2,258,509	2,258,509	-	-
Intermediate bond	1,370,962	1,370,962	-	-
Small cap	855,692	855,692	-	-
REITs	577,038	577,038	-	-
Other	332,358	332,358	-	-
Total investments at fair value	\$ 24,111,727	\$ 24,093,252	\$ 18,475	\$ -

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

17. FAIR VALUE MEASUREMENTS, continued:

	September 30, 2024			
	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Trust assets, at fair value:				
Cash and cash equivalents	\$ 67,201	\$ 67,201	\$ -	\$ -
Exchanged traded funds:				
Bond	87,961	87,961	-	-
Large cap	703,499	703,499	-	-
Small cap	1,423	1,423	-	-
Other	7,673	7,673	-	-
Mutual funds:				
International	533,221	533,221	-	-
Intermediate bond	902,426	902,426	-	-
Small cap	211,089	211,089	-	-
REITs	145,439	145,439	-	-
Total trust assets at fair value	\$ 2,659,932	\$ 2,659,932	\$ -	\$ -

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

17. FAIR VALUE MEASUREMENTS, continued:

	September 30, 2024			
	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
Assets held in perpetual trust and endowment assets, at fair value:				
Cash and cash equivalents	\$ 175,781	\$ 38,997	\$ -	\$ 136,784
Corporate stock	180,360	180,360	-	-
Exchange traded funds:				
US large cap	1,376,055	-	-	1,376,055
US mid cap	736,764	-	-	736,764
US small cap	462,813	-	-	462,813
International developed	486,465	-	-	486,465
Emerging markets	378,560	-	-	378,560
Mutual funds:				
Large cap	38,514	38,514	-	-
Small cap	25,035	25,035	-	-
International	61,302	61,302	-	-
REIT	18,941	18,941	-	-
Bond	59,177	59,177	-	-
Fixed income bonds:				
Investment grade taxable	383,447	-	-	383,447
International developed	49,570	-	-	49,570
Global high yield taxable	39,696	-	-	39,696
Fixed income other	-	-	-	-
Other:				
Hedge funds	970,514	-	-	970,514
Private equity fund	69,751	-	-	69,751
Commodities	114,178	-	-	114,178
Total assets held in perpetual trust and endowment assets, at fair value	\$ 5,626,923	\$ 422,326	\$ -	\$ 5,204,597

# TRANS WORLD RADIO AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

17. FAIR VALUE MEASUREMENTS, continued:

The following tables provide further details of the Level 3 fair value measurements for beneficial interest in trusts held by others:

	September 30,	
	2025	2024
Beginning balance:	\$ 5,204,597	\$ 4,518,053
Contributions of beneficial interests	-	-
Distributions of beneficial interests	-	-
Change in value of beneficial interest in trusts held by others	266,755	686,544
Ending balance	<u>\$ 5,471,352</u>	<u>\$ 5,204,597</u>

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy:

*Level 1 Fair Value Measurements*

The fair values of cash and cash equivalents, corporate stock, exchange traded funds, fixed income securities, mortgage-backed securities, and mutual funds are based on quoted market prices available.

*Level 2 Fair Value Measurements*

The fair values of the cash and cash equivalents, exchange traded funds, mutual funds, and certificates of deposit are based on observable inputs other than the quoted prices included in Level 1 and thus are based on yields for securities of comparable maturity, quality, and type as obtained from market makers. The fair values of fixed income securities and mortgage-backed securities are based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of precious metals is estimated by reference to market values for similar securities. Currency exchange contract liability is the estimated amount that TWR would owe the financial institution if it terminated the contracts at the reporting date.

*Level 3 Fair Value Measurements*

The fair value of beneficial interest in perpetual trusts held by others is based on the value of TWR's proportional share of the overall assets held by the other organizations.

18. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 13, 2026, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.