

FAR EAST BROADCASTING COMPANY, INC.

FINANCIAL STATEMENTS
With Independent Auditors' Report

June 30, 2007 and 2006

FAR EAST BROADCASTING COMPANY, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Far East Broadcasting Company, Inc.
La Mirada, California

We have audited the accompanying statements of financial position of Far East Broadcasting Company, Inc. (FEBC) as of June 30, 2007 and 2006 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of FEBC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FEBC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Far East Broadcasting Company, Inc. as of June 30, 2007 and 2006, and the results of its activities and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.



Brea, California
October 29, 2007

FAR EAST BROADCASTING COMPANY, INC.

Statements of Financial Position

	June 30,	
	2007	2006
ASSETS:		
Cash and cash equivalents	\$ 1,034,144	\$ 1,278,610
Accounts receivable	106,772	109,483
Prepaid expenses and other assets	83,273	618,086
Investments	5,682,956	4,244,269
Estate and trust receivables	465,783	217,119
Pledges receivable	148,500	224,000
Notes receivable	10,356	12,640
Fiduciary fund assets	7,955,196	8,112,682
Land, buildings and equipment - at cost, net	2,187,411	1,235,357
	<u>\$ 17,674,391</u>	<u>\$ 16,052,246</u>
Total Assets		
 LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 25,130	\$ 52,665
Accrued expenses	150,053	147,785
Fiduciary obligations	4,264,050	4,294,084
Total liabilities	<u>4,439,233</u>	<u>4,494,534</u>
Commitments	-	-
Unrestricted net assets:		
Undesignated	3,593,074	2,675,926
Designated	7,692,797	6,091,076
Total unrestricted net assets	<u>11,285,871</u>	<u>8,767,002</u>
Temporarily restricted	1,949,287	2,790,710
Total net assets	<u>13,235,158</u>	<u>11,557,712</u>
Total Liabilities and Net Assets	<u>\$ 17,674,391</u>	<u>\$ 16,052,246</u>

See notes to financial statements

FAR EAST BROADCASTING COMPANY, INC.

Statements of Activities

For the Years Ended June 30,

	2007		2006		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:					
Contributions	\$ 2,074,625	\$ 4,545,948	\$ 6,620,573	\$ 2,296,834	\$ 7,264,740
Trust and estate income	951,079	-	951,079	683,302	725,154
Broadcast revenue	731,922	-	731,922	417,521	695,099
Investment income	616,789	23,507	640,296	266,597	284,499
Change in fiduciary obligations	1,058,527	(223,160)	835,367	863,786	728,767
Other income	18,480	962	19,442	17,628	17,628
Net assets released from restrictions:					
Assessments	258,180	(258,180)	-	379,585	-
Satisfaction of program restrictions	4,930,500	(4,930,500)	-	3,928,711	-
Total Support, Revenue, and Reclassifications	10,640,102	(841,423)	9,798,679	8,853,964	9,715,887
EXPENSES:					
Program ministries:					
Broadcast operations	6,025,738	-	6,025,738	5,569,087	5,569,087
Supporting services:					
General and administrative	790,504	-	790,504	737,832	737,832
Fundraising	1,304,991	-	1,304,991	1,596,263	1,596,263
Total supporting services	2,095,495	-	2,095,495	2,334,095	2,334,095
Total Expenses	8,121,233	-	8,121,233	7,903,182	7,903,182
Change in Net Assets	2,518,869	(841,423)	1,677,446	950,782	1,812,705
Net Assets, Beginning of Year	8,767,002	2,790,710	11,557,712	7,816,220	9,745,007
Net Assets, End of Year	\$ 11,285,871	\$ 1,949,287	\$ 13,235,158	\$ 8,767,002	\$ 11,557,712

See notes to financial statements

FAR EAST BROADCASTING COMPANY, INC.

Statements of Cash Flows

	For the Years Ended June 30,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,677,446	\$ 1,812,705
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	152,492	166,577
Non-cash gifts	(74,839)	(428,825)
Realized and unrealized gain on investments	(1,031,685)	(511,036)
Loss on sale of equipment	-	13,825
Actuarial (gain) loss on fiduciary obligations	(30,034)	317,823
Net change in:		
Accounts receivable	78,211	(232,421)
Estate and trust receivable	(248,686)	523,936
Prepaid expenses and other assets	534,813	(457,358)
Accounts payable and accrued expenses	(1,267)	1,545
Net Cash Provided by Operating Activities	1,056,451	1,206,771
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment	(1,104,546)	(45,084)
Proceeds from sale of equipment	-	133,386
Acquisition of investments	(5,567,608)	(7,130,195)
Proceeds from sale of investments	5,336,567	4,994,688
New notes receivable	(9,617)	-
Collections on fiduciary fund assets	451,627	17,936
Net Cash Used in Investing Activities	(893,577)	(2,029,269)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	-	(5,000)
Payments on fiduciary obligations	(504,419)	(484,542)
Proceeds funding new fiduciary agreements	97,079	744,526
Net Cash Provided by (Used in) Financing Activities	(407,340)	254,984
Decrease in Cash and Cash Equivalents	(244,466)	(567,514)
Cash and Cash Equivalents, Beginning of Year	1,278,610	1,846,124
Cash and Cash Equivalents, End of Year	\$ 1,034,144	\$ 1,278,610

See notes to financial statements

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

1. NATURE OF ORGANIZATION:

Far East Broadcasting Company, Inc. (FEBC) is a nonprofit Christian broadcasting corporation dedicated to serving people, primarily in Asia, by developing and delivering radio programming 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. 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.

For the year ended June 30, 2007, approximately 13% of FEBC's contributions consisted of trust and estate gifts. Approximately 6% of contributions were received from other Far East Broadcasting sending fields (see Note 9), and approximately 29% of contributions were received from churches, foundations, and other ministries. Remaining contributions were received from individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

CASH AND CASH EQUIVALENTS

For statements of financial position and cash flow purposes, cash and cash equivalents includes cash on hand and on deposit. These accounts may, at times, exceed federally insured limits. FEBC has not experienced any losses on such accounts and does not believe it is exposed to significant credit risk on cash and cash equivalents.

INVESTMENTS

Investments are carried on the following basis:

- Investments in marketable debt securities, mutual funds, government securities, and equity securities with readily determinable fair values, are reported at fair value.
- Investments in limited partnerships, closely-held stocks, and property held for investment purposes are carried at historical cost.
- Donated investments are recorded at market value on the date of donation and are thereafter carried in accordance with the above provisions.
- Life insurance policies are carried at cash surrender value.

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

LAND, BUILDINGS, AND EQUIPMENT

Expenditures for property and equipment over \$1,500 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 of the assets, ranging from 5 to 10 years for equipment and from 20 to 40 years for buildings and improvements.

NET ASSETS

The financial statements report amounts by classification of net assets as follows:

- *Unrestricted net assets* are those currently available at the discretion of the board for use in the organization's operations or designated for specific purposes and those resources invested in land, buildings and equipment.
- *Temporarily restricted net assets* are those which are stipulated by donors for specific operating purposes or for capital projects.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to legal restrictions.

Contributions are recorded as temporarily restricted 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 temporarily restricted to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. FEBC's policy is to record temporarily restricted contributions received and expended in the same accounting period as temporarily restricted contributions and net assets released from restrictions.

For contributions restricted by donors for the acquisition of property or other long-lived assets, the restriction is considered to be met when the property or other long-lived asset is placed in service.

PUBLIC SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to FEBC. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. FEBC receives non-cash gifts which are recorded as support at the estimated fair market value on the date of the gift. Goods given to FEBC that do not have an objective basis for valuation are not recorded.

Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as depreciation and payroll, have been allocated among the program and supporting activities.

ALLOCATION OF JOINT COSTS

FEBC has adopted the American Institute of Certified Public Accountants' Statement of Position 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities that Include Fundraising*. This statement requires all costs that contain any fundraising appeal be allocated to fundraising unless all of the following three tests are met: purpose, audience, and content.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATION

Certain amounts previously reported in the financial statements for the prior year have been reclassified to conform to the current year presentation.

3. INVESTMENTS:

Investments consist of money market accounts. Investment income consists of the following:

	June 30,	
	2007	2006
Interest on notes receivable	\$ 808	\$ 648
Other interest and dividends	639,488	283,851
	<u>\$ 640,296</u>	<u>\$ 284,499</u>

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

4. NOTES RECEIVABLE:

The notes receivable consist of the following:

	June 30,	
	2007	2006
One note from an individual, collateralized by residential property. The note is payable in quarterly installments of \$250 including interest at 7.5% until paid.	\$ 5,083	\$ 5,532
Two unsecured notes with total monthly payments of \$470, including interest at 8% for both notes, maturing in April and July 2009. This includes the note from a member of management that purchased an automobile donated to the organization (Note 14).	5,273	7,108
	\$ 10,356	\$ 12,640

5. FIDUCIARY FUND ASSETS:

The following fiduciary fund assets are held for the benefit of annuitants and trustors:

	June 30,	
	2007	2006
Cash and cash equivalents	\$ 63,153	\$ 168,096
Investments:		
Money market accounts	125,552	49,831
Mutual funds	7,579,284	7,242,729
Closely-held stock	135,228	135,228
Limited partnership	63,427	63,427
Mortgage-backed securities	2,924	4,018
Notes receivable:		
Notes from one individual, collateralized by residential property, payable in total monthly installments of \$452, including interest at 7.75%, maturing May 2009.	9,618	449,343
Investment property	10	10
Accounts payable	(24,000)	-
	\$ 7,955,196	\$ 8,112,682

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

6. LAND, BUILDINGS, AND EQUIPMENT:

Land, buildings, and equipment consists of the following:

	June 30,	
	2007	2006
Land	\$ 477,343	\$ 377,343
Land improvements	431,832	431,832
Buildings	2,878,481	2,835,421
Equipment	4,101,646	3,331,311
Construction in process	23,250	-
	7,912,552	6,975,907
Less accumulated depreciation	5,725,141	5,740,550
Land, buildings and equipment - at cost, net	\$ 2,187,411	\$ 1,235,357
Depreciation expense	\$ 152,492	\$ 166,577

The carrying value of assets located overseas in Saipan for June 30, 2007 and 2006 was approximately \$981,296 and \$89,628, respectively. During the year ended June 30, 2007, FEBC purchased radio modulators in the amount of \$809,548 for the Saipan site.

7. 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 unrestricted contributions 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.

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

7. FIDUCIARY OBLIGATIONS: continued:

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 temporarily restricted contributions 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 temporarily restricted net assets.

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 the following:

	June 30,	
	2007	2006
Charitable savings agreements	\$ 466,110	\$ 377,711
Gift annuities	2,072,595	2,248,522
Irrevocable agreements	1,110,940	1,099,144
Amounts due other beneficiaries	614,405	568,707
	<u>\$ 4,264,050</u>	<u>\$ 4,294,084</u>

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

7. FIDUCIARY OBLIGATIONS: continued:

The change in fiduciary obligations consists of the following:

	June 30,	
	2007	2006
Investment income:		
Interest and dividends	\$ 334,596	\$ 353,056
Realized and unrealized gain on investments	719,276	706,163
Investment management fees	(41,907)	(40,888)
	1,011,965	1,018,331
Income released as a result of termination of agreement	241,880	219,823
Change in actuarial value	41,972	(4,968)
Payments to trustors and annuitants and related expenses	(460,450)	(504,419)
	\$ 835,367	\$ 728,767

Contribution income from new agreements for the years ended June 30, 2007 and 2006 was \$97,079 and \$83,068, respectively, and is included in contributions in the statements of activities.

8. NET ASSETS:

Net assets consist of the following:

	June 30,	
	2007	2006
Unrestricted:		
Undesignated:		
Undesignated	\$ 1,269,003	\$ 1,352,361
Funds held for fields	136,660	88,208
Net investment in land, buildings, and equipment	2,187,411	1,235,357
	3,593,074	2,675,926
Designated:		
Designated by board for fiduciary fund reserves	\$ 3,231,387	\$ 3,296,725
Designated by board for the Legacy Fund	4,425,321	2,761,498
Designated by board for projects	36,089	32,853
	7,692,797	6,091,076
Total unrestricted net assets	\$11,285,871	\$ 8,767,002
Temporarily Restricted:		
Missionary support	\$ 381,896	\$ 398,580
Operations in foreign countries	1,022,941	1,498,909
Other projects	84,908	210,519
Irrevocable agreements	459,542	682,702
	\$ 1,949,287	\$ 2,790,710

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

9. 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,	
	2007	2006
Philippines	\$ 341,635	\$ 393,465
Korea	472,453	491,388
Russia	570,220	424,180
Cambodia	100,674	73,074
Indonesia	209,363	97,641
Thailand	75,430	99,158
Mongolia	158,085	143,823
Other countries	429,795	541,610
	\$ 2,357,655	\$ 2,264,339

In addition, financial support is provided to and received from other Far East Broadcasting sending fields in Canada, England, and Hong Kong. Financial support in the amount of \$450,625 and \$750,134 was received from these fields during the years ended June 30, 2007 and 2006, respectively, and is included in contributions in the statements of activities. Financial support was provided to these fields in the amount of \$195,603 and \$209,603 during the years ended June 30, 2007 and 2006, respectively, and is included in broadcast operations expense.

10. LEASES:

FEBC has noncancelable operating lease agreements for transmitter sites on the island of Saipan through the year 2018. FEBC also has a postage machine that expires in December, 2007. Total rental expense under these agreements amounted to approximately \$29,049 and \$22,222 for the years ended June 30, 2007 and 2006, respectively. Total future minimum rental commitments due are as follows:

<u>Years Ending June 30,</u>	
2008	\$ 24,899
2009	24,087
2010	27,700
2011	27,700
2012	27,700
Thereafter	171,048
	\$ 303,134

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

11. 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 \$144,726 and \$138,759 for the years ended June 30, 2007 and 2006, respectively.

12. JOINT COSTS:

As stated in Note 2, FEBC has adopted the American Institute of Certified Public Accountants' Statement of Position 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities that Include Fundraising*. FEBC incurs costs for missionary deputation, which includes time spent performing fundraising functions. FEBC also incurs costs for the development and maintenance of its website, which benefit both program activities and the fundraising function. These costs are referred to as joint costs and are allocated to program activities, general and administrative, and fundraising. Joint cost allocations are as follows:

	June 30,	
	2007	2006
Program activities	\$ 743,893	\$ 791,064
Management and general activities	16,907	17,979
Fundraising	84,533	89,894
	<u>\$ 845,333</u>	<u>\$ 898,937</u>

13. RELATED PARTY TRANSACTIONS:

Two members of the board of directors of FEBC, including the chairman, are key employees of Words of Hope, who sponsors programming for FEBC. Payments from Words of Hope to FEBC totaled \$3,811 and \$10,206 for the years ended June 30, 2007 and 2006, respectively, and there was a receivable of \$359 and \$287 from Words of Hope at June 30, 2007 and 2006, respectively.

In April 2006 one of the members of the management team purchased from FEBC an automobile that was donated to the FEBC. The automobile was purchased at fair market value. The note was originally for \$5,900 at 8% interest for 36 months. The current outstanding balance was \$3,722 and \$5,608 at June 30, 2007 and 2006, respectively.

In June 2007 a construction contract was awarded to a company owned by a son-in-law of a FEBC executive vice president. The construction project was a partial remodeling of the La Mirada office. The contract was for \$23,500 and was capitalized as construction in process. The project was completed in August 2007 at a total cost of \$30,600.

FAR EAST BROADCASTING COMPANY, INC.

Notes to Financial Statements

June 30, 2007 and 2006

14. NEW ACCOUNTING PRONOUNCEMENTS:

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, an interpretation of FASB Statement No. 109 (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 will be effective for fiscal years beginning after December 15, 2006. The effect of FIN 48 has not been determined.

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value with U.S. generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 will be effective for fiscal years beginning after November 15, 2007. The effect of SFAS No. 157 has not been determined.

SUPPLEMENTAL INFORMATION

AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Far East Broadcasting Company, Inc.
La Mirada, California

Our report on our audits of the basic financial statements of Far East Broadcasting Company, Inc. for June 30, 2007 and 2006 appears on Page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental statements of functional expenses are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Brea, California
October 29, 2007

FAR EAST BROADCASTING COMPANY, INC.

Supplemental Schedules of Functional Expenses by Natural Classification

	Year Ended June 30, 2007			
	Broadcast Operations	General and Administrative	Fundraising	Total
Broadcasting grants	\$ 2,357,655	\$ -	\$ -	\$ 2,357,655
Salaries and wages	1,750,676	440,632	479,180	2,670,488
Employee benefits	655,485	128,056	150,238	933,779
Professional services	89,101	55,475	75,507	220,083
Supplies	72,544	12,819	65,621	150,984
Postage and shipping	28,302	14,444	13,045	55,791
Telephone and occupancy	407,704	11,252	18,079	437,035
Equipment repair and maintenance	57,564	4,052	5,586	67,202
Printing and publications	64,608	37,765	316,009	418,382
Travel and conferences	328,702	18,880	137,749	485,331
Depreciation	103,848	22,350	26,294	152,492
Other expenses	109,549	44,779	17,683	172,011
Total Expenses	\$ 6,025,738	\$ 790,504	\$ 1,304,991	\$ 8,121,233

	Year Ended June 30, 2006			
	Broadcast Operations	General and Administrative	Fundraising	Total
Broadcasting grants	\$ 2,264,339	\$ -	\$ -	\$ 2,264,339
Salaries and wages	1,778,980	412,999	590,195	2,782,174
Employee benefits	568,275	121,415	171,974	861,664
Professional services	85,120	66,666	74,755	226,541
Supplies	69,509	9,601	71,242	150,352
Postage and shipping	48,647	14,505	13,045	76,197
Telephone and occupancy	320,350	16,036	23,260	359,646
Equipment repair and maintenance	19,754	252	1,165	21,171
Printing and publications	71,792	612	352,590	424,994
Travel and conferences	108,109	22,703	248,445	379,257
Depreciation	114,120	24,102	28,355	166,577
Other expenses	120,092	48,941	21,237	190,270
Total Expenses	\$ 5,569,087	\$ 737,832	\$ 1,596,263	\$ 7,903,182