



**TRANS WORLD RADIO and
TRANS WORLD RADIO PACIFIC**

Combined Financial Statements
With Independent Auditors' Report

December 31, 2010 and 2009

**TRANS WORLD RADIO
AND
TRANS WORLD RADIO PACIFIC**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined statements of financial position of Trans World Radio and Trans World Radio Pacific as of December 31, 2010 and 2009, and the related combined statements of activities and cash flows for the years then ended. These combined financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined 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 of the effectiveness of the organization'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 combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Trans World Radio and Trans World Radio Pacific as of December 31, 2010 and 2009, and the changes in its combined net assets and its combined cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2, Trans World Radio and Trans World Radio Pacific adopted recent accounting pronouncements, which resulted in additional disclosures related to fair value measurements.

Capin Crouse LLP

Atlanta, Georgia
June 23, 2011

**TRANS WORLD RADIO
AND
TRANS WORLD RADIO PACIFIC**

Combined Statements of Financial Position

	December 31,	
	2010	2009
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 9,688,445	\$ 7,310,641
Receivables (Note 3)	2,500,231	2,756,052
Prepaid expenses and other assets (Note 4)	898,807	890,340
Investments (Note 5)	5,361,313	4,501,174
	18,448,796	15,458,207
Long-term investments and other assets (Note 6)	1,723,452	2,302,784
Trust assets (Note 10)	3,559,022	2,844,446
Land, buildings, and equipment, at cost–net (Note 7)	9,295,703	8,957,958
Perpetual trusts held by others and endowment assets (Note 2)	4,169,316	3,867,750
	\$ 37,196,289	\$ 33,431,145
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Trade payables	\$ 1,454,540	\$ 1,598,930
Accrued expenses	495,643	333,490
Current portion of:		
Notes payable (Note 8)	211,114	272,523
Annuities payable (Note 9)	627,981	600,255
Employee benefit obligations (Note 14)	879,310	852,618
Deferred revenue	277,255	372,022
	3,945,843	4,029,838
Long-term liabilities:		
Notes payable (Note 8)	43,739	13,287
Annuities payable (Note 9)	3,239,675	3,058,594
Trust obligations (Note 10)	2,629,986	2,085,687
Employee benefit obligations (Note 14)	7,671,680	7,979,992
Total liabilities	17,530,923	17,167,398

(continued)

See notes to combined financial statements

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Combined Statements of Financial Position
(continued)

	December 31,	
	2010	2009
LIABILITIES AND NET ASSETS, continued:		
Net assets (Note 11):		
Unrestricted:		
Undesignated	(2,270,983)	(3,576,402)
Designated	1,827,366	1,454,802
Equity in land, buildings, and equipment	9,224,326	8,868,124
	8,780,709	6,746,524
Temporarily restricted:		
Specified purpose	5,729,382	4,683,209
Life income (Note 11)	985,959	966,264
	6,715,341	5,649,473
Permanently restricted:		
Perpetual trusts and other endowments	4,169,316	3,867,750
Total net assets	19,665,366	16,263,747
 Total Liabilities and Net Assets	 \$ 37,196,289	 \$ 33,431,145

See notes to combined financial statements

**TRANS WORLD RADIO
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Combined Statements of Activities

	Year Ended December 31,							
	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
INCOME:								
Contributions:								
Missionary support	\$ 4,369,754	\$ -	\$ -	\$ 4,369,754	\$ 4,406,979	\$ -	\$ -	\$ 4,406,979
General	3,083,792	6,638,253	-	9,722,045	3,205,184	4,175,575	-	7,380,759
Legacies and bequests	510,339	-	-	510,339	503,079	-	-	503,079
Contributed services	1,088,839	-	-	1,088,839	1,158,987	-	-	1,158,987
Gift portion of new split interest agreements	467,840	97,349	-	565,189	304,626	-	-	304,626
	9,520,564	6,735,602	-	16,256,166	9,578,855	4,175,575	-	13,754,430
Revenue:								
Media services	20,393,891	-	-	20,393,891	21,131,662	-	-	21,131,662
Investments (Note 5)	758,771	4,214	301,566	1,064,551	1,015,742	4,197	440,985	1,460,924
Change in value of split interest agreements (Note 10)	375,176	72,928	-	448,104	529,611	105,379	-	634,990
Other	934,999	-	-	934,999	263,381	-	-	263,381
	22,462,837	77,142	301,566	22,841,545	22,940,396	109,576	440,985	23,490,957
Total Income	31,983,401	6,812,744	301,566	39,097,711	32,519,251	4,285,151	440,985	37,245,387
RECLASSIFICATIONS:								
Net assets released from restriction:								
Satisfaction of purpose restrictions	5,746,876	(5,746,876)	-	-	4,666,959	(4,666,959)	-	-

(continued)

See notes to combined financial statements

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**Combined Statements of Activities
(continued)**

	Year Ended December 31,							
	2010			2009				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
EXPENSES:								
Program services:								
Media services	30,571,942	-	-	30,571,942	31,547,892	-	-	31,547,892
Missions awareness	1,205,167	-	-	1,205,167	1,349,643	-	-	1,349,643
	<u>31,777,109</u>	<u>-</u>	<u>-</u>	<u>31,777,109</u>	<u>32,897,535</u>	<u>-</u>	<u>-</u>	<u>32,897,535</u>
Supporting activities:								
Management and general	1,804,270	-	-	1,804,270	2,385,070	-	-	2,385,070
Fund-raising	2,063,854	-	-	2,063,854	2,244,667	-	-	2,244,667
	<u>3,868,124</u>	<u>-</u>	<u>-</u>	<u>3,868,124</u>	<u>4,629,737</u>	<u>-</u>	<u>-</u>	<u>4,629,737</u>
Total Expenses	<u>35,645,233</u>	<u>-</u>	<u>-</u>	<u>35,645,233</u>	<u>37,527,272</u>	<u>-</u>	<u>-</u>	<u>37,527,272</u>
Change in Net Assets before Translation Adjustment	2,085,044	1,065,868	301,566	3,452,478	(341,062)	(381,808)	440,985	(281,885)
Translation Adjustment	(50,859)	-	-	(50,859)	651,855	-	-	651,855
Change in Net Assets	2,034,185	1,065,868	301,566	3,401,619	310,793	(381,808)	440,985	369,970
Net Assets, Beginning of Year	<u>6,746,524</u>	<u>5,649,473</u>	<u>3,867,750</u>	<u>16,263,747</u>	<u>6,435,731</u>	<u>6,031,281</u>	<u>3,426,765</u>	<u>15,893,777</u>
Net Assets, End of Year	<u>\$ 8,780,709</u>	<u>\$ 6,715,341</u>	<u>\$ 4,169,316</u>	<u>\$ 19,665,366</u>	<u>\$ 6,746,524</u>	<u>\$ 5,649,473</u>	<u>\$ 3,867,750</u>	<u>\$ 16,263,747</u>

See notes to combined financial statements

**TRANS WORLD RADIO
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Combined Statements of Cash Flows

	Year Ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,401,619	\$ 369,970
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	916,381	931,899
Unrealized/realized gains on investments	(1,064,551)	(1,906,455)
Gain on sale of fixed assets	(673,713)	(16,590)
Change in value of charitable trusts	(72,928)	(105,379)
Gift portion of new split interest agreements	(565,189)	(304,626)
Actuarial change in charitable gift annuities	(212,957)	(156,898)
Maturities of charitable gift annuities	(179,429)	(246,568)
Payments on charitable gift annuities	548,638	554,090
Changes in operating assets and liabilities:		
Receivables	255,821	(24,067)
Prepaid expenses and other assets	(8,467)	79,404
Trade payables	(144,390)	(33,361)
Accrued expenses	162,153	(6,000)
Deferred revenue	(94,767)	(58,979)
Employee benefit obligations	(281,620)	194,631
	1,986,601	(728,929)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of land, buildings, and equipment	(1,219,812)	(430,128)
Changes in investment in broadcast facilities	422,750	443,646
Proceeds from sale of land, buildings, and equipment	793,380	-
Change in land, buildings, and equipment due to currency translation	(109,012)	(482,530)
Proceeds from sale of investments	2,229,799	3,538,315
Acquisitions of investments	(3,041,529)	(3,147,157)
Change in other long-term assets	156,582	(1,115)
	(767,842)	(78,969)
Net Cash Provided (Used) by Operating Activities		
Net Cash Used by Investing Activities		

(continued)

See notes to combined financial statements

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Combined Statements of Cash Flows
(continued)

	Year Ended December 31,	
	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short-term debt	55,212	10,000
Repayments on capital lease obligation	(131,138)	(87,498)
Proceeds from new annuities and trusts	1,350,668	633,932
Gift portion of new charitable trust agreements	97,349	-
Payments on annuities and trusts	(761,632)	(718,881)
Investment income from charitable trusts	548,586	562,107
	<u>1,159,045</u>	<u>399,660</u>
Net Cash Provided by Financing Activities		
	<u>1,159,045</u>	<u>399,660</u>
Net Change in Cash and Cash Equivalents	2,377,804	(408,238)
Cash and Cash Equivalents, Beginning of Year	7,310,641	7,718,879
	<u>7,310,641</u>	<u>7,718,879</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,688,445</u>	<u>\$ 7,310,641</u>
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	<u>\$ 15,858</u>	<u>\$ 18,567</u>

See notes to combined financial statements

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Notes to Combined Financial Statements

December 31, 2010 and 2009

1. NATURE OF ORGANIZATION:

Trans World Radio and Trans World Radio Pacific are collectively known as Trans World Radio (TWR), which is an independent evangelical association of churches. As such, 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. Contributions by the public may be deductible for income tax purposes.

The primary focus of TWR is 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. 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 broadcasts Gospel programs in more than 200 languages and dialects to over 160 countries. Programs air from 2,000 worldwide broadcasting outlets, including 14 major international sites, satellite, internet, and local AM and FM stations.

Missions Awareness—The cost of TWR magazine and other publications and activities are used to raise public awareness of God’s work through missions.

In its endeavor to fulfill its religious, educational, and evangelistic objectives, TWR works with thousands of churches and hundreds of cooperating program producers. 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, training, transmission of broadcasts 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 program producers.

Incorporation:

	<u>Trans World Radio</u>	<u>Trans World Radio Pacific</u>
State:	New Jersey	North Carolina
Date:	February 1, 1960	May 2, 1952

Location of International Headquarters:

300 Gregson Drive
Cary, North Carolina 27511

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Notes to Combined Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

TWR maintains its accounts and prepares its combined financial statements on the accrual basis in conformity with accounting principles generally accepted in the United States. The preparation of combined 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the combined financial statements to the reader.

PRINCIPLES OF COMBINATION

These combined financial statements include Trans World Radio and Trans World Radio Pacific. These two organizations share management and headquarters facilities. Trans World Radio Pacific owns and operates the broadcasting facilities in Guam.

All significant intercompany transactions and balances have been eliminated from these combined statements.

TWR is associated with affiliated organizations in over 60 countries. These organizations are not under the control of TWR, and their financial position and results of operations are not combined or presented herewith.

FUND ACCOUNTING AND NET ASSETS

In order to ensure observance of limitations and restrictions placed on the use of resources available to the organization, the accounts of TWR are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified into funds established according to their nature and purpose. Separate accounts are maintained for each fund. All financial transactions have been recorded and reported by fund group and classes of net assets.

Unrestricted net assets 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.

Temporarily restricted net assets 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.

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Notes to Combined Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FUND ACCOUNTING AND NET ASSETS, continued:

Permanently restricted net assets consists 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 December 31, 2010 and 2009, was \$4,092,854 and \$3,801,075, respectively. The endowment consists of common stock with a fair market value as of December 31, 2010 and 2009 of \$76,462 and \$66,675, respectively. Substantially all of the net asset balance is comprised of the perpetual trust held by others. Therefore, the disclosure requirements related to permanently restricted net assets as prescribed by the Endowment Topic of The FASB Accounting Standards Codification are not included due to immateriality.

RECLASSIFICATIONS

Certain items have been reclassified in the prior year combined statements to be consistent with the current year presentation.

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. Management has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

RECEIVABLES

Accounts receivable 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 bad debts when it is determined the amounts are uncollectible.

The allowance for doubtful accounts 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 economic conditions. An allowance for uncollectible accounts has been provided in the amount of \$186,450 at December 31, 2010 and 2009.

PREPAID EXPENSES AND OTHER 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.

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Notes to Combined Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Donated investments are recorded at fair value on the date of donation and thereafter carried at fair value. These assets are quickly liquidated. Investments in equity securities with readily determinable fair value and all debt securities are stated at fair value. Other investments are stated at the lower of cost or fair value.

LAND, BUILDINGS, EQUIPMENT, AND DEPRECIATION

Items capitalized as land, buildings, and equipment are recorded at cost. Donated assets are recorded at their fair value on the date of gift. Purchases of property and equipment valued at \$2,000 or more are capitalized.

Fixed assets include expenditures for major renewals and betterment. Repairs and maintenance are expensed as incurred. 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 income.

TWR elects to account for fixed assets in foreign locations in accordance with the functional currency provisions of the Foreign Currency Matters Topic of the FASB Accounting Standard Codification (ASC). This has resulted in a translation adjustment of (\$42,465) and \$482,530 in 2010 and 2009, respectively, to fixed assets with functional currencies that differ from the reporting currency.

Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Generally, these lives are as follows:

Buildings	30 years
Building rights	20 years
Transmitting and generating equipment	16 years
Studio and office equipment	10 years
Vehicles, software, and computer equipment	3-5 years

PERPETUAL TRUSTS HELD BY OTHERS

Perpetual trust held by others consists of a one-eighth beneficial interest. The trust assets are carried at fair value and consist of cash and cash equivalents, marketable securities, and municipal bonds. Interest income of \$162,811 and \$200,132 received during the years ended December 31, 2010 and 2009, respectively, was included in unrestricted investment income.

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Notes to Combined Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES

Revenue is recognized when earned. Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to TWR. Noncash gifts are recorded at their estimated fair market value on the date of donation. Media services revenue is recognized as earned. The portion of gain or loss on sale of assets presented in other income is recorded as earned and recognized in the fund owning the asset or as directed by donor restrictions.

TWR reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. Gifts are reported as unrestricted if they are spent in the same period. When a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Also included in expenses are advertising and promotion costs of \$719,602 and \$572,082 for the years ended December 31, 2010 and 2009, 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 December 31, 2010, TWR has varying monthly commitment amounts through December 2011 for notional amounts approximating \$4,320,000 of the South African Rand, \$3,600,000 of the European Euro and \$864,000 for the Singapore Dollar. Through December 2012, TWR has varying monthly commitments amounts for the South African Rand, European Euro and Singapore Dollar for notional amounts approximating \$2,160,000, \$720,000 and \$964,206, respectively.

CONTRIBUTED SERVICES

Contributed services represent donated skilled services provided by a European Partner. This includes the cost of salary, benefits, and work expenses for approximately 20 individuals involved in engineering, broadcast operations, and broadcast administration.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities of TWR have been summarized on a functional basis in the combined 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 \$2,882,136 and \$2,845,261 for the years ended December 31, 2010 and 2009, respectively. Of those costs, \$1,191,745 and \$1,136,769 were allocated to program services, \$15,028 and \$11,726 were allocated to management and general, and \$1,675,363 and \$1,696,766 were allocated to fund-raising for the years ended December 31, 2010 and 2009, respectively.

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 December 31, 2010 and 2009, respectively, current assets in other countries, including cash, securities, receivables, prepaid expenses, and inventories, totaled \$4,002,296 and \$2,947,835; noncurrent assets were \$1,666,529 and \$2,031,305; property and equipment, net of accumulated depreciation, amounted to \$5,343,418 and \$4,789,043; and liabilities in other countries were \$1,673,303 and \$1,182,999. Total overseas support and revenue received from foreign sources amounted to \$13,587,341 and \$11,171,053 for the years ended December 31, 2010 and 2009, respectively.

Account balances relating to foreign operations are reflected in the combined financial statements in United States dollars.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in the expenses in the statement of activities. As of December 31, 2010 and 2009, respectively, the TWR had no uncertain tax positions that qualify for recognition in the combined financial statements.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In January 2010, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, Improving Disclosures about Fair Value Measurements. This amends the Fair Value Measurement and Disclosures topic of the ASC to require additional disclosures. Effective for years beginning after December 15, 2009, the guidance requires entities to disclose transfers of assets in and out of Levels 1 and 2 of the fair value hierarchy, and the reasons for those transfers, and to report fair values based on class rather than category. Effective for years beginning after December 15, 2010, the guidance requires separate presentation of purchases and sales in the Level 3 asset reconciliation. TWR adopted the provisions of this ASU, including the additional required disclosures in Note 17.

3. RECEIVABLES:

Receivables consist of:

	December 31,	
	2010	2009
Broadcasters—net of allowance for uncollectible accounts of \$186,450 for 2010 and 2009	\$ 1,752,098	\$ 1,718,302
Advances to employees	48,616	61,054
Due from suppliers/affiliates	699,517	976,696
	\$ 2,500,231	\$ 2,756,052

4. PREPAID EXPENSES AND OTHER ASSETS:

Prepaid expenses and other assets consist of:

	December 31,	
	2010	2009
Spare parts inventory	\$ 421,839	\$ 406,189
Rents and deposits	112,562	89,049
Other prepaids	364,406	395,102
	\$ 898,807	\$ 890,340

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5. INVESTMENTS:

Investments at fair value consist of:

	December 31,	
	2010	2009
Operating and specified purpose:		
Corporate stock	\$ 8,101	\$ 15,846
Certificates of deposit	14,000	300,000
Currency exchange contract asset	623,601	32,928
Land held for sale	-	35,000
Mutual funds	101,101	120,297
	746,803	504,071
Life income:		
Corporate stock	892,137	971,381
Government bonds	148,310	64,059
Mutual funds	3,574,063	2,961,663
	4,614,510	3,997,103
	\$ 5,361,313	\$ 4,501,174

The following table reconciles gross income earned on investments to the net amount reported in the combined statements of activities:

	Year Ended December 31, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	\$ 191,878	\$ 3,683	\$ -	\$ 195,561
Net realized gain (loss) on sale	(26,519)	531	-	(25,988)
Change in market valuation	593,412	-	301,566	894,978
	\$ 758,771	\$ 4,214	\$ 301,566	\$ 1,064,551

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5. INVESTMENTS, continued:

	Year Ended December 31, 2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Interest and dividends	\$ 265,422	\$ 3,696	\$ -	\$ 269,118
Net realized gain (loss) on sale	(5,768)	501	-	(5,267)
Change in market valuation	756,088	-	440,985	1,197,073
	<u>\$ 1,015,742</u>	<u>\$ 4,197</u>	<u>\$ 440,985</u>	<u>\$ 1,460,924</u>

6. LONG-TERM INVESTMENTS AND OTHER ASSETS:

Long-term investments and other assets consist of:

	December 31,	
	2010	2009
Cash surrender value of life insurance	\$ 12,426	\$ 11,281
Beneficial interest in real estate	-	153,067
Beneficial interest in trust	44,497	43,157
Interest in foreign limited partnership	90,000	90,000
Other asset	-	6,000
Broadcasting facility development costs—net of amortization of \$2,871,721 and \$2,448,971, respectively	1,576,529	1,999,279
	<u>\$ 1,723,452</u>	<u>\$ 2,302,784</u>

Broadcast facilities 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. The portion of this investment recoverable in 2010 has been reflected in prepaid expenses, and the balance to be recovered is included in long-term investments and other assets.

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7. LAND, BUILDINGS, AND EQUIPMENT, AT COST-NET:

Land, buildings, and equipment consist of:

	December 31,			
	2010		2009	
	United States	Other Countries	Total	Total
Land	\$ 1,240,358	\$ 604,857	\$ 1,845,215	\$ 1,840,981
Buildings	3,460,184	3,609,416	7,069,600	7,281,969
Transmitting, generating, and testing equipment	3,065,643	6,607,625	9,673,268	9,482,928
Furniture and equipment	4,179,355	2,533,612	6,712,967	6,632,930
	<u>11,945,540</u>	<u>13,355,510</u>	<u>25,301,050</u>	<u>25,238,808</u>
Less accumulated depreciation	<u>(8,648,751)</u>	<u>(8,293,650)</u>	<u>(16,942,401)</u>	<u>(16,557,613)</u>
	3,296,789	5,061,860	8,358,649	8,681,195
Construction in progress	655,496	281,558	937,054	276,763
Net book value of land, buildings, and equipment	3,952,285	5,343,418	9,295,703	8,957,958
Less related capital lease obligations	<u>(27,070)</u>	<u>(44,307)</u>	<u>(71,377)</u>	<u>(89,834)</u>
Equity in land, buildings, and equipment	<u>\$ 3,925,215</u>	<u>\$ 5,299,111</u>	<u>\$ 9,224,326</u>	<u>\$ 8,868,124</u>

Depreciation expense, in the amounts of \$916,381 and \$931,899 for the years ended December 31, 2010 and 2009, respectively, has been allocated to program services and supporting activities in the combined statements of activities.

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8. NOTES PAYABLE:

Notes payable consist of:

	December 31,	
	2010	2009
Unsecured notes:		
Promissory notes payable to individuals, due on demand, with an interest rate of 5%; principal becomes property of TWR upon death of holder.	\$ 183,476	\$ 195,976
Capitalized lease obligations	71,377	89,834
	254,853	285,810
Less current portion	(211,114)	(272,523)
Long-term portion of notes payable	\$ 43,739	\$ 13,287

Annual maturities are as follows:

Years Ending December 31,	Amounts
2010	\$ 211,114
2011	43,739
	\$ 254,853

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9. ANNUITIES PAYABLE:

TWR 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. 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 an unrestricted gift for long-term purposes.

The annuity liability is revalued annually based upon actuarially computed present values and is carried at the present value of future cash payments. The resulting actuarial gain or loss is recorded as other income.

Annuities payable consist of:

	December 31,	
	2010	2009
Computed present value	\$ 3,867,656	\$ 3,658,849
Less current portion	(627,981)	(600,255)
	\$ 3,239,675	\$ 3,058,594

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. During 2008, significant unrealized investment losses due to the economic downturn in the U.S. caused TWR's investment assets to fall below some states' required levels. During 2009, the assets recovered slightly, but some states enacted more stringent reserve requirements continuing a deficit of investment assets below required levels. TWR has reported these deficits to the states and has subsidized the unrealized losses with operating assets.

10. TRUST ASSETS, OBLIGATIONS, AND NET ASSETS:

As trustee, TWR administers revocable (grantor) trusts that provide for a beneficial interest to TWR or other beneficiaries at the grantor's death. Because the trusts are revocable at the discretion of the grantor, the principal amounts provided are recorded as liabilities. All trust income, deductions, and credits are reportable by the grantor for tax purposes. At the grantor's death, the remaining trust assets, if designated for TWR, will be recorded as contributions income. Any trust designated for other beneficiaries will be distributed in accordance with the trust agreement.

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

In addition, 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 combined statements of activities as a temporarily restricted contribution in the period received, as temporarily restricted net assets, and as a reclassification to the unrestricted fund when released. Certain trusts contain provisions to distribute assets to remaindermen other than TWR. The portion attributable to others is reflected as a liability on the combined statements of financial position.

	December 31,	
	2010	2009
Trust assets—at fair value:		
Cash and cash equivalents	\$ 184,090	\$ 143,837
Corporate stock	470,512	377,248
Government securities	24,429	25,670
Mutual funds	2,879,991	2,297,691
	\$ 3,559,022	\$ 2,844,446
Trust obligations and net assets:		
Trust obligations:		
Revocable trusts	\$ 14,848	\$ 15,059
Irrevocable trusts	2,615,138	2,070,628
	2,629,986	2,085,687
Trust net assets	929,036	758,759
	\$ 3,559,022	\$ 2,844,446

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

An actuarial adjustment is recognized in the combined statements of activities for changes in the value of annuities and trusts. These changes include:

	Year Ended December 31,	
	2010	2009
Investment income—interest and dividends	\$ 226,731	\$ 176,229
Realized and unrealized gains	888,049	1,131,901
Actuarial adjustments	220,060	154,769
Advisory fees and other expenses	(125,104)	(109,028)
Payments to income beneficiaries	(761,632)	(718,881)
	\$ 448,104	\$ 634,990

11. NET ASSETS:

Net assets consist of:

	December 31,	
	2010	2009
Unrestricted:		
Undesignated:		
Undesignated	\$ 6,280,007	\$ 5,256,208
Unfunded employee benefit obligations (Note 14)	(8,550,990)	(8,832,610)
	(2,270,983)	(3,576,402)
Designated:		
Minimum state required annuity reserves	1,827,366	1,454,802
Equity in land, buildings, and equipment	9,224,326	8,868,124
Total unrestricted net assets	\$ 8,780,709	\$ 6,746,524

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11. NET ASSETS, continued:

Net assets consist of:

	December 31,	
	2010	2009
Temporarily restricted:		
Specified purpose:		
Designated for future ministry activities:		
Missionary equipment	\$ 365,335	\$ 404,478
Europe projects	136,309	474,128
Asia projects	285,909	108,759
Africa projects	102,154	247,616
Americas projects	138,053	124,581
Women's ministry	247,173	325,420
Children and youth ministry	288,523	412,591
HIV/AIDS and health issues ministry	195,750	294,775
Oral communicators ministry	398,421	330,936
Leadership development ministry	1,185,173	1,129,941
Extending the Reach	1,589,970	-
Other	796,612	829,984
	5,729,382	4,683,209
Life income:		
Charitable remainder trusts (Note 10)	929,036	758,759
Other	56,923	207,505
Total temporarily restricted net assets	\$ 6,715,341	\$ 5,649,473
Permanently restricted:		
Perpetual trusts and other endowments designated for operations	\$ 4,169,316	\$ 3,867,750

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12. LINE OF CREDIT:

TWR maintains a line of credit at a North Carolina financial institution. As of December 31, 2010, this line permitted TWR to borrow up to \$1,500,000. This line is secured by real property in Cary, North Carolina. No commitment fees or compensating balances are required. The note has an interest rate equal to the prime lending rate of the issuing bank, which was 3.25% as of December 31, 2010 and 2009. As of December 31, 2010 and 2009, TWR had no outstanding borrowing against this line of credit.

13. COMMITMENTS:

LEASE AGREEMENTS

TWR maintains operating lease contracts for the use of missionary housing, office facilities, and property. Although the specific terms of these agreements vary, all are treated as operating leases, most contain renewal options ranging from one to five years, and some carry escalation provisions which are generally tied to the cost of living in the related field. TWR is obligated under capital leases for computer equipment and other equipment that expire at various dates through 2015.

At December 31, 2010, the carrying value of the related equipment and the accumulated amortization recorded for the assets acquired via capital leases were:

Equipment	405,976
Less accumulated amortization	<u>(168,304)</u>
	<u><u>237,672</u></u>

Future minimum lease payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) and future minimum capital lease obligation payments as of December 31, 2010, are as follows:

<u>Years Ending December 31,</u>	<u>Capital leases</u>	<u>Operating leases</u>
2011	\$ 32,909	\$ 501,944
2012	19,504	348,115
2013	16,550	152,378
2014	13,597	31,512
2015	3,399	19,042
	<u>85,959</u>	<u>\$ 1,052,991</u>
Less amount representing interest	<u>(13,597)</u>	
Present value of net minimum capital lease payment	72,362	
Less current installments of obligations under capital leases	<u>(32,909)</u>	
Obligations under capital leases, excluding current installments	<u><u>\$ 39,453</u></u>	

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13. COMMITMENTS, continued:

LEASE AGREEMENTS, continued

Rental expenses pertaining to the agreements noted above were \$355,369 and \$288,849 for the years ended December 31, 2010 and 2009, respectively.

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

Early in 2009, TWR opened a new 401(k) plan. To participate in the 401(k) plan, employees working in the U.S. must contribute a portion of their base salary. TWR provides a 50% match for 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. Missionaries may make additional, voluntary contributions.

TWR contributed \$238,246 and \$224,352 in matching contributions to the 401(k) plan for the years ended December 31, 2010 and 2009 respectively. In light of changes to the ad hoc retirement plan mentioned below, the Board approved an additional special contribution of \$462,402 during the year ended December 31, 2009.

Employee contributions vest at time of payment into the plan. TWR's contribution becomes fully vested after three years of service. Employees may start contributions from the date of their employment. TWR begins matching an employee's contributions after the employee has one year of service.

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14. EMPLOYEE BENEFIT OBLIGATIONS, continued:

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. As of December 31, 2010 and 2009, 70 and 72 employees or surviving spouses, respectively, were receiving these benefits.

The ad hoc plan's current and future benefits are funded by unrestricted undesignated net assets of TWR (see Note 11). TWR adopted the provisions of the Compensation-Retirement Benefits Topic of the FASB ASC. The following table sets forth the amounts recognized in the combined statements of financial position:

	Pension Benefits		Retiree Welfare Benefits	
	2010	2009	2010	2009
Change in benefit obligation:				
Benefit obligation, January 1	\$ 3,436,651	\$ 3,320,517	\$ 5,395,959	\$ 5,317,462
Interest cost	185,455	179,301	297,031	295,783
Actuarial gain	793	342,182	2,532	161,781
Benefits paid	(395,136)	(405,349)	(372,295)	(379,067)
Benefit obligation, December 31	<u>\$ 3,227,763</u>	<u>\$ 3,436,651</u>	<u>\$ 5,323,227</u>	<u>\$ 5,395,959</u>

Components of net periodic benefit costs for years ended December 31, 2010 and 2009, are as follows:

	Pension Benefits		Retiree Welfare Benefits	
	2010	2009	2010	2009
Components of Net Periodic Benefit Cost:				
Interest cost	\$ 185,455	\$ 179,301	\$ 297,031	\$ 295,783
Amortization of unrecognized prior service cost	240,506	240,506	348,234	348,234
Amortization of unrecognized net gain	101,208	72,036	50,674	45,557
Net periodic pension cost	<u>\$ 527,169</u>	<u>\$ 491,843</u>	<u>\$ 695,939</u>	<u>\$ 689,574</u>

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14. EMPLOYEE BENEFIT OBLIGATIONS, continued:

AD HOC RETIREMENT PLAN, continued

Weighted-average assumptions and method disclosures as of December 31, 2010 and 2009, include:

	Pension Benefits		Retiree Welfare Benefits	
	2010	2009	2010	2009
Discount rate	5.75%	5.75%	5.75%	5.75%
Average life expectancy of participants	12 years	12 years	12 years	12 years

Furthermore for purposes of calculating the benefit obligation for the post-retirement other benefit component, TWR assumed an initial 7% and 8% health care cost trend for participants for 2010 and 2009, respectively, decreasing to 5% by the year 2011. If TWR experienced an additional 1% increase, it would result in an approximately \$425,000 in additional liability calculated as of December 31, 2010.

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

	December 31,	
	2010	2009
Employee benefit obligation (including pension and retiree welfare benefits)	\$ 8,550,990	\$ 8,832,610
Less current portion	(879,310)	(852,618)
Employee benefit obligation—net of current portion	\$ 7,671,680	\$ 7,979,992

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

Years Ending December 31,	Pension Benefits	Retiree Welfare Benefits
2011	\$ 408,616	\$ 470,694
2012	393,063	476,129
2013	376,114	476,294
2014	357,915	474,546
2015	338,648	470,744
Thereafter	1,379,144	2,223,368
	\$ 3,253,500	\$ 4,591,775

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15. CONCENTRATIONS:

A small number of broadcasters represent 67% of total broadcast revenue for the years ended December 31, 2010 and 2009, respectively.

16. RELATED PARTY TRANSACTIONS:

Income provided by affiliated organizations (as described in Note 1) approximated \$2,720,709 and \$2,714,280 plus approximately \$1,088,839 and \$1,158,987 in contributed services for the years ended December 31, 2010 and 2009, respectively.

Grants to affiliated organizations and payments for services rendered approximated \$4,880,851 and \$5,266,139 for the years ended December 31, 2010 and 2009, respectively.

Payments were made to a U.S. for-profit broadcasting enterprise for the purchase of airtime related to mission awareness and fund-raising activities. A member of TWR's board serves on the related board, as does her spouse who is also a principal officer in the for-profit broadcasting enterprise. Such payments amounted to \$4,550 and \$89,400 for the years ended December 31, 2010 and 2009, respectively.

17. FAIR VALUE MEASUREMENTS:

The Fair Value Measurements and Disclosure Topic of the FASB Accounting Standards Codification 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.

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17. FAIR VALUE MEASUREMENTS, continued:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010:

	Total	Fair Value Measurements Using:		
		(Level 1)	(Level 2)	(Level 3)
Investments:				
Certificates of deposit	\$ 14,000	\$ -	\$ 14,000	\$ -
Corporate stock	900,238	894,838	5,400	-
Government bonds	148,310	148,310	-	-
Mutual funds:				
Money market	1,334	1,334	-	-
Income	8,532	8,532	-	-
Real estate	196,282	196,282	-	-
Large cap value	445,791	445,791	-	-
Mid cap value	3,154	3,154	-	-
Small cap value	267,492	267,492	-	-
Large cap growth	606,659	606,659	-	-
Small cap growth	289,030	289,030	-	-
International	109,984	109,984	-	-
Global	265,551	265,551	-	-
Mutual funds-Fixed income	13,876	13,876	-	-
High yield bond	428,625	428,625	-	-
Intermediate term bond	618,790	618,790	-	-
Short term bond	288,457	288,457	-	-
Large cap equity	131,607	131,607	-	-
Foreign currency exchange contract asset	623,601	-	623,601	-
	<u>\$ 5,361,313</u>	<u>\$ 4,718,312</u>	<u>\$ 643,001</u>	<u>\$ -</u>

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17. FAIR VALUE MEASUREMENTS, continued:

	Total	Fair Value Measurements Using:		
		(Level 1)	(Level 2)	(Level 3)
Other Assets:				
Cash surrender value of life insurance policy	\$ 12,426	\$ -	\$ 12,426	\$ -
Beneficial interest in trust	44,497	-	-	44,497
Interest in foreign limited partnership	90,000	-	-	90,000
	<u>\$ 146,923</u>	<u>\$ -</u>	<u>\$ 12,426</u>	<u>\$ 134,497</u>
Trust assets:				
Cash and cash equivalents	\$ 184,090	\$ 184,090	\$ -	\$ -
Corporate stock	470,512	470,512	-	-
Government securities	24,429	24,429	-	-
Mutual funds:				
Real estate	153,164	153,164	-	-
Large cap value	516,661	516,661	-	-
Small cap value	163,130	163,130	-	-
Large cap growth	426,866	426,866	-	-
Small cap growth	158,713	158,713	-	-
International	10,605	10,605	-	-
Global	390,876	390,876	-	-
Emerging markets	19,049	19,049	-	-
High yield bond	252,729	252,729	-	-
Intermediate term bond	613,296	613,296	-	-
Short term bond	127,847	127,847	-	-
Large cap equity	47,056	47,056	-	-
	<u>\$ 3,559,023</u>	<u>\$ 3,559,023</u>	<u>\$ -</u>	<u>\$ -</u>

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17. FAIR VALUE MEASUREMENTS, continued:

	Total	Fair Value Measurements Using:		
		(Level 1)	(Level 2)	(Level 3)
Assets held in perpetual trusts and endowment assets:				
Cash and cash equivalents	\$ 81,037	\$ -	\$ 81,037	\$ -
Corporate stock	76,462	76,462	-	-
Mutual funds:				
US large cap	1,813,861	-	1,813,861	-
US mid cap	295,390	-	295,390	-
US small cap	193,335	-	193,335	-
International developed	325,021	-	325,021	-
Emerging markets	269,181	-	269,181	-
Investment grade taxable bonds	624,525	-	624,525	-
International developed bond	38,293	-	38,293	-
Global high yield taxable bonds	114,159	-	114,159	-
Public REIT's	123,013	-	123,013	-
Commodities	215,039	-	215,039	-
	<u>\$ 4,169,316</u>	<u>\$ 76,462</u>	<u>\$ 4,092,854</u>	<u>\$ -</u>
Support:				
Contributed services	<u>\$ 1,088,839</u>	<u>\$ -</u>	<u>\$ 1,088,839</u>	<u>\$ -</u>

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17. FAIR VALUE MEASUREMENTS, continued:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying combined 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 December 31, 2009:

	Total	Fair Value Measurements Using:		
		(Level 1)	(Level 2)	(Level 3)
Investments:				
Certificates of deposit	\$ 300,000	\$ -	\$ 300,000	\$ -
Corporate stock	987,230	974,230	13,000	-
Government bonds	64,059	64,059	-	-
Mutual funds	3,081,960	3,081,960	-	-
Cash surrender value of life insurance policy	11,281	-	11,281	-
Beneficial interest in real estate	153,067	-	-	153,067
Beneficial interest in trust	43,157	-	-	43,157
Interest in foreign limited partnership	90,000	-	-	90,000
Foreign currency exchange contract liability	32,928	-	32,928	-
	<u>\$ 4,763,682</u>	<u>\$ 4,120,249</u>	<u>\$ 357,209</u>	<u>\$ 286,224</u>
Trust assets:				
Cash and cash equivalents	\$ 143,837	\$ 143,837	\$ -	\$ -
Corporate stock	377,248	377,248	-	-
Government securities	25,670	25,670	-	-
Mutual funds	2,297,691	2,297,691	-	-
	<u>\$ 2,844,446</u>	<u>\$ 2,844,446</u>	<u>\$ -</u>	<u>\$ -</u>
Assets held in perpetual trusts:				
Cash and cash equivalents	\$ 200,568	\$ -	\$ 200,568	\$ -
Corporate stock	1,891,602	66,675	1,824,927	-
Government securities	799,711	-	799,711	-
Mutual funds	975,869	-	975,869	-
	<u>\$ 3,867,750</u>	<u>\$ 66,675</u>	<u>\$ 3,801,075</u>	<u>\$ -</u>
Support:				
Contributed services	\$ 1,158,987	\$ -	\$ 1,158,987	\$ -

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17. FAIR VALUE MEASUREMENTS, continued:

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying combined 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, government bonds and securities, and mutual funds are based on quoted market prices, when available.

Level 2 Fair Value Measurements

The fair values of the corporate stock 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 value of the cash surrender value of life insurance policy is based on TWR's share of the cash surrender value of the respective life insurance policy as represented by the insurance company. 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 for the beneficial interests in a trust and real estate is determined by calculating the present value of the future distributions expected to be received, using published life expectancy tables and a 6% discount rate. The interest in foreign limited partnership is based on TWR's interest established by the initial partnership agreement. Contributed services are estimated by a National Partner based on actual salaries and benefits paid. The following table provides further details of the Level 3 fair value measurements.

	Beneficial Interest in Real Estate	Beneficial Interest in Trust	Interest in Foreign Limited Partnership	Total
Balance, January 1, 2010	\$ 153,067	\$ 43,157	\$ 90,000	\$ 286,224
Total gains (realized and unrealized) included in changes in net assets available for benefits	-	1,340	-	1,340
Purchases, sales, issuances, and settlements, net	(153,067)	-	-	(153,067)
Change in value of split-interest agreements	-	-	-	-
Payment from charitable remainder trust	-	-	-	-
Balance, December 31, 2010	<u>\$ -</u>	<u>\$ 44,497</u>	<u>\$ 90,000</u>	<u>\$ 134,497</u>

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December 31, 2010 and 2009

17. FAIR VALUE MEASUREMENTS, continued:

	Beneficial Interest in Real Estate	Beneficial Interest in Trust	Interest in Foreign Limited Partnership	Total
Balance, January 1, 2009	\$ 153,067	\$ 37,132	\$ 90,000	\$ 280,199
Total gains (realized and unrealized) included in changes in net assets available for benefits	-	6,025	-	6,025
Purchases, sales, issuances, and settlements, net	-	-	-	-
Change in value of split-interest agreements	-	-	-	-
Payment from charitable remainder trust	-	-	-	-
Balance, December 31, 2009	<u>\$ 153,067</u>	<u>\$ 43,157</u>	<u>\$ 90,000</u>	<u>\$ 286,224</u>

Gains and losses (realized and unrealized) related to the beneficial interest in trust are included in change in value of split interest agreements.

18. SUBSEQUENT EVENTS:

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