



LIFE OUTREACH INTERNATIONAL
ASSOCIATION OF CHURCHES, INC.
AND AFFILIATES

Consolidated Financial Statements
With Independent Auditor's Report

December 31, 2025 and 2024

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Life Outreach International Association
of Churches, Inc. and Affiliates
Eules, Texas

Opinion

We have audited the accompanying consolidated financial statements of Life Outreach International Association of Churches, Inc. and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, 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 Life Outreach International Association of Churches, Inc. and Affiliates as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Life Outreach International Association of Churches, Inc. and Affiliates 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 Life Outreach International Association of Churches, Inc. and Affiliates' 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 Trustees
Life Outreach International Association
of Churches, Inc. and Affiliates
Eules, Texas

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 Life Outreach International Association of Churches, Inc. and Affiliates' 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 Life Outreach International Association of Churches, Inc. and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLC

Irving, Texas
July 7, 2026

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Consolidated Statements of Financial Position

	December 31,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 15,531,801	\$ 17,641,204
Investments	3,183,185	2,836,964
Contributions receivable	2,313,685	-
Prepaid expenses and other assets	329,882	766,869
Inventories–net	1,861,577	2,200,052
Finance lease right-of-use assets	122,440	193,057
Property and equipment–net	9,996,653	10,840,768
Total Assets	<u>\$ 33,339,223</u>	<u>\$ 34,478,914</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	\$ 2,371,362	\$ 3,415,463
Finance lease obligations	128,511	199,089
Total liabilities	<u>2,499,873</u>	<u>3,614,552</u>
Net assets:		
Net assets without donor restrictions	<u>28,525,665</u>	<u>30,864,362</u>
Net assets with donor restrictions:		
Restricted by time	<u>2,313,685</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 33,339,223</u>	<u>\$ 34,478,914</u>

See notes to consolidated financial statements

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Consolidated Statements of Activities

	Year Ended December 31,	
	2025	2024
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
SUPPORT AND REVENUE:		
Contributions	\$ 46,044,602	\$ 46,626,386
Product resources	1,828,253	2,275,935
Investment return-net	731,829	1,085,034
Other revenue	37,830	39,742
Total Support and Revenue	<u>48,642,514</u>	<u>50,027,097</u>
EXPENSES:		
Program services:		
Media ministries- <i>Life Today</i>	14,201,917	16,365,058
Missions outreach and project ministries	14,970,677	16,125,223
Literature and audio/visual distribution ministries	6,892,239	7,531,225
	<u>36,064,833</u>	<u>40,021,506</u>
Supporting activities:		
General and administrative	4,612,538	5,032,733
Fundraising	9,371,674	11,195,979
	<u>13,984,212</u>	<u>16,228,712</u>
Total Expenses Without Donor Restrictions	<u>50,049,045</u>	<u>56,250,218</u>
Change in Net Assets Without Donor Restrictions before Zoe's Operations	<u>(1,406,531)</u>	<u>(6,223,121)</u>
Zoe's Operations (see Note 1):		
Rental income	241,160	286,206
Operating expenses	(1,173,326)	(1,105,101)
Zoe's Net Operating Loss	<u>(932,166)</u>	<u>(818,895)</u>
Change in Net Assets Without Donor Restrictions	(2,338,697)	(7,042,016)

See notes to consolidated financial statements

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Consolidated Statements of Activities (continued)

	Year Ended December 31,	
	<u>2025</u>	<u>2024</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	2,313,685	-
Change in Net Assets With Donor Restrictions	<u>2,313,685</u>	<u>-</u>
Change in Net Assets	(25,012)	(7,042,016)
Net Assets, Beginning of Year	<u>30,864,362</u>	<u>37,906,378</u>
Net Assets, End of Year	<u><u>\$ 30,839,350</u></u>	<u><u>\$ 30,864,362</u></u>

See notes to consolidated financial statements

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2025

	Program Services				Supporting Activities		
	Media Ministries— <i>Life Today</i>	Missions Outreach and Project Ministries	Literature and Audio/Visual Distribution Ministries	Subtotal	General and Administrative	Fundraising	Totals
Television broadcast contracts	\$ 8,917,852	\$ 18,360	\$ 1,238,591	\$ 10,174,803	\$ -	\$ 2,229,463	\$ 12,404,266
Salaries and wages	2,277,265	3,139,947	1,113,369	6,530,581	1,974,760	902,002	9,407,343
Relief and development grants *	25,304	8,421,994	1,657	8,448,955	28,194	34,736	8,511,885
Professional services	422,696	896,102	1,658,257	2,977,055	454,027	2,512,613	5,943,695
Printing and postage	69,855	344,291	1,914,285	2,328,431	437,683	3,051,181	5,817,295
Employee benefits	668,418	787,953	335,405	1,791,776	567,802	225,624	2,585,202
Depreciation	1,077,462	-	-	1,077,462	232,965	145,603	1,456,030
Maintenance	264,862	279,787	201,504	746,153	264,825	62,874	1,073,852
Product premiums	-	338,497	336,189	674,686	43,942	37,923	756,551
Occupancy	270,892	186,051	64,844	521,787	150,248	72,718	744,753
Other expenses	45,277	87,499	17,373	150,149	337,084	26,333	513,566
Insurance	120,231	189,480	10,541	320,252	116,573	50,971	487,796
Travel	41,803	280,716	224	322,743	4,435	19,633	346,811
Total LOI expenses	14,201,917	14,970,677	6,892,239	36,064,833	4,612,538	9,371,674	50,049,045
ZOE depreciation	278,293	-	-	278,293	60,172	37,607	376,072
ZOE other expenses	-	797,254	-	797,254	-	-	797,254
Total ZOE expenses	278,293	797,254	-	1,075,547	60,172	37,607	1,173,326
Total consolidated expenses	<u>\$ 14,758,503</u>	<u>\$ 15,767,931</u>	<u>\$ 6,892,239</u>	<u>\$ 37,140,380</u>	<u>\$ 4,672,710</u>	<u>\$ 9,409,281</u>	<u>\$ 51,222,371</u>
Percentage of total expenses	28.7%	30.7%	13.3%	72.7%	9.0%	18.3%	100.0%

* Fundraising for relief and development grants is reported as part of media expenses.

See notes to consolidated financial statements

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services				Supporting Activities		
	Media Ministries— <i>Life Today</i>	Missions Outreach and Project Ministries	Literature and Audio/Visual Distribution Ministries	Subtotal	General and Administrative	Fundraising	Total Expenses
Television broadcast contracts	\$ 10,405,914	\$ -	\$ 1,443,502	\$ 11,849,416	\$ -	\$ 2,599,714	\$ 14,449,130
Salaries and wages	2,439,739	3,545,334	1,201,110	7,186,183	1,991,782	960,097	10,138,062
Relief and development grants *	312,476	9,085,203	19,535	9,417,214	213,223	164,351	9,794,788
Professional services	464,716	1,296,369	1,432,529	3,193,614	698,785	3,483,013	7,375,412
Printing and postage	90,504	318,373	2,403,375	2,812,252	407,183	3,361,197	6,580,632
Employee benefits	669,672	859,120	347,334	1,876,126	546,960	229,695	2,652,781
Occupancy	507,813	254,229	113,535	875,577	215,850	114,142	1,205,569
Maintenance	250,825	234,797	173,539	659,161	260,588	65,804	985,553
Depreciation	652,553	-	-	652,553	141,092	88,183	881,828
Product premiums	382,807	-	377,393	760,200	42,145	41,989	844,334
Other expenses	21,934	22,835	7,629	52,398	388,491	10,238	451,127
Travel	55,667	339,056	3,185	397,908	22,891	36,590	457,389
Insurance	110,438	169,907	8,559	288,904	103,743	40,966	433,613
Total LOI expenses	16,365,058	16,125,223	7,531,225	40,021,506	5,032,733	11,195,979	56,250,218
ZOE depreciation	324,143	-	-	324,143	70,085	43,803	438,031
ZOE other expenses	-	667,070	-	667,070	-	-	667,070
Total ZOE expenses	324,143	667,070	-	991,213	70,085	43,803	1,105,101
Total consolidated expenses	\$ 16,689,201	\$ 16,792,293	\$ 7,531,225	\$ 41,012,719	\$ 5,102,818	\$ 11,239,782	\$ 57,355,319
Percentage of total expenses	29.1%	29.3%	13.1%	71.5%	8.9%	19.6%	100%

* Fundraising for relief and development grants is reported as part of media expenses.

See notes to consolidated financial statements

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (25,012)	\$ (7,042,016)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,832,102	1,319,859
Amortization	70,617	70,617
Loss on disposal of assets	-	22,681
Change in value of gift annuities	12,602	4,634
Realized and unrealized gain on investments-net	(346,221)	(172,314)
Changes in operating assets and liabilities:		
Contributions receivable	(2,313,685)	-
Inventories-net	338,475	(61,594)
Prepaid expenses and other assets	436,987	(158,172)
Accounts payable and other liabilities	(1,056,703)	664,290
Net Cash Used by Operating Activities	<u>(1,050,838)</u>	<u>(5,352,015)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(987,987)	(3,436,003)
Purchases of investments	-	(220,665)
Proceeds from sale of investments	-	64,244
Net Cash Used by Investing Activities	<u>(987,987)</u>	<u>(3,592,424)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal paid on finance leases	(70,578)	(67,993)
Net Cash Used by Financing Activities	<u>(70,578)</u>	<u>(67,993)</u>
Net Change in Cash and Cash Equivalents	(2,109,403)	(9,012,432)
Cash and Cash Equivalents, Beginning of Year	<u>17,641,204</u>	<u>26,653,636</u>
Cash and Cash Equivalents, End of Year	<u>\$ 15,531,801</u>	<u>\$ 17,641,204</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	<u>\$ 6,481</u>	<u>\$ 9,067</u>

See notes to consolidated financial statements

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

Life Outreach International Association of Churches, Inc. (LOI) is a Texas not-for-profit corporation that is governed by a board of trustees, who serve without compensation as volunteers. LOI is a Christian organization dedicated to sharing the transforming truth of God's love in word and deed. LOI encourages the support of missions and relief programs in areas of need throughout the world. Utilizing the tremendous potential of broadcast media to fulfill the mission, LOI inspires believers to share the promise of life and hope with others.

LOI has been recognized by the Internal Revenue Service as a church and association of churches organized and operated exclusively for religious purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. As such, it is not required to file the annual information return Form 990. As a 509(a)(1) and 170(b)(1)(A)(i) organization that is not a private foundation, donors may deduct contributions as provided in section 170 of the Internal Revenue Code. LOI's primary source of income is contributions from donors.

Life for Children, Inc. (Children) is a Texas not-for-profit corporation whose purpose is to provide charitable humanitarian relief efforts, assistance, and development throughout the world. As the board of trustees of Children is appointed by the board of LOI, the financial statements of Children have been consolidated herewith. All significant intercompany balances and transactions have been eliminated in consolidation.

Zoe Aviation, Inc. (ZOE) is a Texas for-profit corporation whose purpose is to hold title and operate certain aviation and other equipment that is both used by LOI and leased as available to others. ZOE is a wholly owned subsidiary of LOI. As such, the financial statements of ZOE have been consolidated herewith. All significant intercompany balances and transactions have been eliminated in consolidation.

Certain officers of LOI serve in leadership or board positions with a U.S. charity whose purpose is to support relief and other humanitarian aid internationally. Further, LOI provides accounting and other supporting services to the U.S. charity. Additionally, LOI has entered into a service agreement with LOI Canada to distribute *Life Today* telecasts in Canada and develop direct mail packages to inform ministry partners in Canada, etc., as the Canadian ministry has similar purpose and outreach to LOI. However, control does not exist through any majority ownership or majority voting interest in the board of either the U.S. charity or LOI Canada. Accordingly, these entities are not included in the accompanying consolidated financial statements.

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION, continued:

In conducting its ministries of compassion, such as mission feeding and water wells, LOI partners with other charities who operate in specific geographical and outreach areas. LOI's most significant partners are ForAfrika and its affiliates, Jesus Alive Ministries, both of which are U.S. tax exempt 501(c)(3) organizations. These organizations conduct ministry outreaches including feeding, water wells, disaster relief, and crusades throughout Africa. They are under the control of an independent board, receive independent audits of its operations, and are regulated by supporting agencies such as the U.N. World Food Program. LOI establishes specific objectives, defines accountability and expectations, and sets parameters for the use of funds granted to the organizations, subject to the oversight and review of the LOI board, senior management, and its independent audit firm.

Operations—LOI is an organization dedicated to sharing the life and love of Jesus Christ with men, women, and children worldwide by means of personal ministry, media outreach, and ministries of compassion. James Robison, the founder and host of the popular television program *Life Today*, seeks not only to declare the love of God but to demonstrate it as well through various mission outreaches to children and families here at home and around the globe.

Literature and Audio/ Visual Distribution Ministries—Ministry in the United States is conducted by means of television, conferences and meetings, and by providing literature and media aids to its supporters and followers.

Missions Outreach and Project Ministries—Ministries of compassion worldwide are conducted through partnering charities (not-for-profit organizations) in various countries that are independent of LOI. However, LOI establishes specific relationships and agreements, defines accountability and program expectations, and sets parameters for the use of funds granted to or expended through these partners.

Life Today Telecasts—*Life Today* is taped before a live studio audience at the International Studio and Headquarters near Fort Worth, Texas.

Other ministries of LOI that are included within the categories above include:

Prayer Center—LOI reaches inward to the spirit and soul of the friends and viewers by being available to pray with them in times of special need. The prayer center includes a 24-hour prayer line.

Spiritual Life Library—LOI develops and distributes audio and video products, and a variety of printed materials to the spiritual seeking.

Mission Feeding—LOI's aim is to reach out not only in word but also in deed by ministering to those who are experiencing great physical need.

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION, continued:

Evangelism—Sharing Jesus with a needy world is the cornerstone of LOI's vision. In cooperation with its mission partners, evangelistic efforts include city-crusades and film-evangelism teams around the world with television outreach being the main avenue.

Life Centers—The Centers, operated by LOI partners, serve numerous purposes in places widely scattered around the world. These Centers are dedicated to the communities they serve, adapting and changing in function as the needs of the community change. They minister to the hurting through orphanages, training centers, food factories, medical clinics, churches, and retreat centers. They become an oasis of life for the people they touch.

Disaster Relief and Special Projects—LOI's mission teams and partners reach out to those who are experiencing human suffering caused by natural disasters and other world events.

Churches for Life—This is a powerful way for churches to reach out locally, nationally, and internationally without the added administrative burden of maintaining an in-house missions department. Churches for Life allows local churches to become partners and/or members of the association to make a greater impact through evangelistic outreaches, Life Centers, feeding programs, new water well drilling, and disaster relief.

Friends for Life—Friends for Life is a special group of supporters which provides a consistent foundation of resources to help LOI impact the world. They are recipients of various ministry materials and tools for their personal spiritual journey.

The Stream—A national daily where individuals concerned about the nation can gather for news, wisdom, and inspiration and not feel as if faith must exist in the margins.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

LOI 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 of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting periods. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in checking, savings, and money market accounts. These accounts may, at times, exceed federally insured limits. As of December 31, 2025 and 2024, LOI's cash balances exceeded federally insured limits by approximately \$14,570,000 and \$15,760,000, respectively.

INVESTMENTS

Investments include exchange-traded funds and mutual funds. Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value with realized and unrealized gains and losses, net of fees, included as revenue without donor restriction in the consolidated statements of activities. Investments with no readily determinable fair value are carried at estimated fair value, normally based upon appraised values. Donated investments are recorded at the fair value on the date of donation and thereafter carried in accordance with the above provisions. Money market accounts are held in the investment portfolio for future investment under the investment policy.

CONTRIBUTIONS RECEIVABLE

Contributions receivable represent unconditional promises to give to LOI, primarily for operational purposes. All contributions receivable are expected to be collected within one year of the statement of financial position date. Accordingly, no allowance for uncollectible contributions or discount to present value has been recorded.

INVENTORIES—NET

Inventory primarily consists of books, audio and video products, which are recorded at the lower of cost or net realizable value using the first-in, first-out method. These items serve primarily as gifts to contributors and are charged to expense when used. Donated gifts are recorded at the estimated fair value on the date of donation. An allowance for obsolete inventory is based on management estimate, which includes consideration of the movement of inventory and current economic conditions.

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FINANCE LEASE RIGHT-OF-USE ASSETS AND OBLIGATIONS

Right-of-use assets represent LOI's right to use the underlying asset for the lease term. Right-of-use assets and related liabilities are recognized at commencement date based on the net present value of lease payments over the lease term discounted using a risk-free rate. Another expedient includes accounting for lease and non-lease components as a single lease component. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The additional lease disclosures can be found in Note 7.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment are recorded at cost or at estimated fair value at the date of gift. LOI capitalizes purchases in excess of \$1,500 with lesser amounts expensed in the year purchased. Maintenance and repair costs that do not extend the useful lives are expensed as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives or lease terms of assets:

	<u>Estimated Useful Lives</u>
Land improvements	10 to 15 years
Buildings	25 years
Transportation assets	5 to 20 years
Furniture and equipment	3 to 7 years

CLASSES 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 property and equipment.

Net assets with donor restrictions are resources subject to stipulations that are satisfied by the passage of time.

LOI features specific outreaches (such as Life Centers, Mission Feeding, *Life Today* telecasts, and Water for Life) as examples of the programs it supports and conducts. All contributions are considered to be without restriction as to use unless explicitly stipulated by the donor.

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash is received or unconditionally promised, or when ownership of donated assets are transferred to LOI. Contributions restricted by the donor for a specific purpose are recorded as support in the 'with donor restrictions' class of net assets until funds have been expended by LOI for the purpose specified. Upon satisfaction of the purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions with donor restrictions, which have been fully expended for their intended purposes within the reporting period, are reported as contributions without donor restrictions.

LOI reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, LOI reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

LOI receives indications of intent to support from individuals and churches that provide monthly, quarterly, or annual gifts of a specified amount. These indications of intent are open-ended and subject to unilateral change by the donor. They are not considered to be unconditional promises to give and are not recognized prior to receipt of the contribution. 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.

LOI provides ministry-related product resources to the public in connection with contributions. These resources are available whether or not a contribution is made; however, a suggested donation is requested. When the fair value of the product given is significant compared to the donation received, LOI treats part of that donation as a sale, following the guidance. The rest is considered a regular contribution. The sales portion of the revenue is recognized when control of the product is transferred to the customer, which occurs at a point in time when the product is shipped. The contribution portion is recognized when LOI has a right to the donation and the usual revenue recognition conditions are met. Transactions are settled contemporaneously in connection with contributions and do not involve enforceable customer contracts or extended payment terms; accordingly, no contract assets or liabilities are recognized.

During the years ended December 31, 2025 and 2024, material costs of approximately \$757,000 and \$882,000, respectively, were incurred and are included in the consolidated statements of functional expenses as product premiums.

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued

Investment returns, net of fees, are recognized as earned and are reported as without donor restrictions unless the use of the income is limited by donor-imposed restriction.

Other income consists primarily of rental income, interest income, and various miscellaneous receipts. These amounts are recorded when the performance obligation has been satisfied either at a point in time or over time.

Expenses are recognized when incurred in accordance with the accrual basis of accounting.

INCOME TAXES

ZOE determines its deferred tax provision under the liability method whereby deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax basis of assets and liabilities and their reported amounts using presently enacted tax rates. The deferred tax asset considered realizable could be adjusted in the future if estimates of taxable income are revised.

3. INVENTORIES—NET:

Inventories—net consist of:

	December 31,	
	2025	2024
Product inventory	\$ 1,757,110	\$ 2,047,967
Supplies and materials	93,168	139,786
Donated gifts	31,299	32,299
	<u>1,881,577</u>	<u>2,220,052</u>
Less allowance for obsolete inventory	<u>(20,000)</u>	<u>(20,000)</u>
	<u>\$ 1,861,577</u>	<u>\$ 2,200,052</u>

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

4. INVESTMENTS:

LOI follows accounting standards which establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under accounting standards are described as follows:

Level 1- Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that LOI has the ability to access.

Level 2- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level of input that is significant to the fair value measurement in its entirety.

As of December 31, 2025 and 2024, LOI did not have any Level 2 or Level 3 investments.

The following tables present the fair value measurements of investments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis, and are considered Level 1 investments within the fair value hierarchy at December 31, 2025 and 2024:

	December 31,	
	2025	2024
Investments:		
At fair value:		
Mutual funds	\$ 2,667,324	\$ 2,395,191
Exchange traded funds	435,355	368,252
	<u>3,102,679</u>	<u>2,763,443</u>
At cost:		
Money market accounts	<u>80,506</u>	<u>73,521</u>
	<u>\$ 3,183,185</u>	<u>\$ 2,836,964</u>

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Notes to Consolidated Financial Statements

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4. INVESTMENTS, continued:

Fair value of assets at December 31, 2025, measured on a recurring basis is as follows:

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments measured at fair value				
Mutual funds	\$ 2,667,324	\$ 2,667,324	\$ -	\$ -
Exchange traded funds	435,355	435,355	-	-
	3,102,679	<u>\$ 3,102,679</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at cost:				
Money market accounts	80,506			
	<u>\$ 3,183,185</u>			

Fair value of assets at December 31, 2024, measured on a recurring basis is as follows:

	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments measured at fair value				
Mutual funds	\$ 2,395,191	\$ 2,395,191	\$ -	\$ -
Exchange traded funds	368,252	368,252	-	-
	2,763,443	<u>\$ 2,763,443</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at cost:				
Money market accounts	73,521			
	<u>\$ 2,836,964</u>			

Valuation techniques:

Mutual funds and exchange-traded funds –Fair value is based on quoted market prices in an active market.

Changes in methods and assumptions –None.

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

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5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

	December 31,	
	2025	2024
Land and improvements	\$ 1,039,399	\$ 1,039,399
Buildings	12,101,576	12,101,576
Transportation assets	9,366,536	9,189,837
Furniture and equipment	18,051,963	13,291,925
	<u>40,559,474</u>	<u>35,622,737</u>
Less accumulated depreciation and amortization	<u>(30,562,821)</u>	<u>(28,730,718)</u>
	9,996,653	6,892,019
Website and media infrastructure in process	<u>-</u>	<u>3,948,749</u>
Total property and equipment–net	<u>\$ 9,996,653</u>	<u>\$ 10,840,768</u>

Total depreciation expense for the years ended December 31, 2025 and 2024, was \$1,832,102 and \$1,319,859, respectively. For the years ended December 31, 2025 and 2024, this included depreciation of \$1,456,030 and \$881,828 for LOI, respectively, and \$376,072 and \$438,031 for ZOE, respectively.

6. COMMITMENTS:

ZOE, in conjunction with its operations, has entered into commitments with minimum annual funding of approximately \$363,000 through November 2026. The annual costs could be higher based upon ZOE's operations.

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Notes to Consolidated Financial Statements

December 31, 2025 and 2024

7. LEASE OBLIGATIONS:

LOI has two finance leases for equipment expiring in fiscal years 2027 and 2028. The leases have a quarterly payment of \$9,752 and \$9,512. The discount rate represents the risk-free rate using a period comparable with that of the individual lease term on the inception date of the lease. Short-term leases with a term of 12 or fewer months are not reflected on the consolidated statements of financial position, and costs are expensed as incurred.

	December 31,	
	2025	2024
Finance lease right-of-use assets	\$ 122,440	\$ 193,057
Finance lease obligations	\$ 128,511	\$ 199,089
Finance lease costs:		
Amortization of ROU assets	\$ 70,617	\$ 70,617
Interest on lease liability	\$ 6,481	\$ 9,067
Cash paid for amounts included in the measurement of lease obligations:	\$ 77,059	\$ 77,059
Weighted Average Discount Rate:	3.75%	3.75%
Weighted Average Remaining lease term:	1.97	2.77

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Notes to Consolidated Financial Statements

December 31, 2025 and 2024

7. LEASE OBLIGATIONS, continued:

Future minimum lease payments required under operating and finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Years Ending December 31,</u>	
2026	\$ 77,059
2027	38,050
2028	<u>19,026</u>
	134,135
Less imputed interest	<u>(5,624)</u>
	<u><u>\$ 128,511</u></u>

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Notes to Consolidated Financial Statements

December 31, 2025 and 2024

8. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the LOI's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditure within one year, including amounts set aside by management for the funding of LOI's annuity obligations and for long-term investment return production. The amounts set aside to meet annuity obligations or for long-term investment return could be drawn upon at management's discretion. All financial assets listed below are considered to be convertible to cash within one year.

	December 31,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 15,531,801	\$ 17,641,204
Contributions receivable	2,313,685	-
Accounts receivable*	117,195	174,371
Investments	3,183,185	2,836,964
Financial assets, at year-end	<u>21,145,866</u>	<u>20,652,539</u>
Less those unavailable for general expenditure within one year, due to:		
Investments held at management's discretion for the purpose of funding annuity obligations	(2,406)	(11,260)
Investments held at management's discretion for the purpose of long-term investment return	<u>(2,106,196)</u>	<u>(1,898,693)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 19,037,264</u>	<u>\$ 18,742,586</u>

*Included with prepaid expenses and other assets on the consolidated statements of financial position.

LOI seeks to maintain flexibility and security when managing its liquidity. Accordingly, reserves are maintained in cash accounts. Other financial assets include investments and receivables. Investments are maintained in highly liquid asset categories. Receivables are expected to be received within the next 12 months. Investments are maintained primarily for the purpose of funding annuity obligations and providing returns on long-term financial reserves. LOI does not actively move funds from cash and cash equivalents to investments for the purpose of gaining returns on short to mid-term financial reserves. Receivables will be used to provide additional liquidity as payments are received.

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Notes to Consolidated Financial Statements

December 31, 2025 and 2024

9. JOINT ACTIVITIES AND ALLOCATION OF JOINT COSTS:

The following information summarizes only the portion of total expenses that are considered to be “joint costs” of “joint activities” according to accounting standards. These costs do not include any broadcasting expenses related to special projects, such as Water for Life, because they are fully allocated to fundraising. The expenditures for these projects are reported as program expenses.

In 2025 and 2024, LOI conducted activities, more fully described below, that included appeals for contributions that incurred joint costs of \$26,032,283 and \$27,899,456, respectively. These activities included *Life Today* telecasts, events, constituent ministry materials and newsletters, and direct mail. Joint costs were:

Year Ended December 31, 2025					
	<i>Life Today</i> Telecasts	Events	Constituent Ministry Materials and Newsletters	Direct Mail	Total
Program services:					
Media ministries–					
<i>Life Today</i>	\$ 12,038,667	\$ 61,035	\$ 1,981,970	\$ -	\$ 14,081,672
Missions outreach and project ministries	-	171,731	431,337	-	603,068
Literature and audio/visual distribution ministries	1,251,204	8,477	1,765,234	1,179,219	4,204,134
Supporting activities:					
General and administrative	-	-	170,083	-	170,083
Fundraising	2,588,834	24,759	1,608,221	2,751,512	6,973,326
	<u>\$ 15,878,705</u>	<u>\$ 266,002</u>	<u>\$ 5,956,845</u>	<u>\$ 3,930,731</u>	<u>\$ 26,032,283</u>

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

9. JOINT ACTIVITIES AND ALLOCATION OF JOINT COSTS, continued:

Year Ended December 31, 2024					
	<i>Life Today</i> Telecasts	Events	Constituent Ministry Materials and Newsletters	Direct Mail	Total
Program services:					
Media ministries—					
<i>Life Today</i>	\$ 12,386,798	\$ 61,035	\$ 1,981,970	\$ -	\$ 14,429,803
Missions outreach and project ministries	-	219,441	765,716	-	985,157
Literature and audio/visual distribution ministries	1,251,204	8,477	2,316,608	1,373,886	4,950,175
Supporting activities:					
General and administrative	-	-	226,702	-	226,702
Fundraising	2,627,515	42,210	1,432,159	3,205,735	7,307,619
	<u>\$ 16,265,517</u>	<u>\$ 331,163</u>	<u>\$ 6,723,155</u>	<u>\$ 4,579,621</u>	<u>\$ 27,899,456</u>

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Notes to Consolidated Financial Statements

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9. JOINT ACTIVITIES AND ALLOCATION OF JOINT COSTS, continued:

Life Today telecasts—The *Life Today* telecast is the flagship ministry program of LOI. It is a half-hour program that is principally ministry in nature using a talk show and guest setting format. The ministry focus is upon current Christian issues and concerns. The hosts are James and Betty Robison who share the Gospel with the listening audience, including words of faith and encouragement to believers in the Lord Jesus Christ. Guests are regularly interviewed and include noted Christian authors, pastors, evangelists, business leaders, and others. At the end of each program, listeners are told that the telecast is a listener-supported ministry and advised how they may support *Life Today* with their gifts.

Events—Events consist of meetings and banquets held at sites throughout the country in which LOI invites donors and other guests for a time of ministry outreach and challenge, sharing about LOI's ministry, and an opportunity to support its work.

Constituent ministry materials and newsletters—Constituent ministry materials and newsletters include the distribution of books, audio/visual products, and other literature to donors and others.

Direct mail—Direct mail consists of mailings that are fundraising in nature but also include materials that are intended to fulfill ministry purposes by providing books, devotional products, and other material to serve and challenge Christians.

10. RELATED PARTY TRANSACTIONS:

As described in Note 1, LOI provided certain services to LOI Canada under the terms of a service agreement. During 2025 and 2024, LOI sold inventory to LOI Canada at its cost of approximately \$82,000 and \$121,000, respectively, which is included in product resource sales and associated fees in the accompanying consolidated statements of activities. At December 31, 2025 and 2024, LOI recorded receivables from LOI Canada of approximately \$800 and \$63,000, respectively.

LOI utilizes marketing entities operated by an individual who is related to a current trustee. The services provided relate to strategy, ministry marketing, social media, and direct mail services. Annual marketing and representation fees paid by LOI during both the years ended December 31, 2025 and 2024, for these services was approximately \$990,000 and \$1,612,000, respectively. Reimbursed costs for products, printing, call center, and mailing expenses incurred for the years ended December 31, 2025 and 2024, approximated \$6,281,000 and \$8,238,000, respectively. As of December 31, 2025 and 2024, amounts due were approximately \$608,000 and \$1,196,000, respectively.

Expenses include grants to other charities of approximately \$8,512,000 and \$9,795,000 for the years ended December 31, 2025 and 2024, respectively, of which approximately \$5,178,000 in both years, was provided to ForAfrika and its affiliate (see Note 1).

LIFE OUTREACH INTERNATIONAL ASSOCIATION OF CHURCHES, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

11. EMPLOYEE BENEFIT PLANS:

RETIREMENT PLAN

LOI provides a defined contribution plan qualified under section 403(b)9 which allows eligible employees to participate through payroll deductions and provides an employer match ranging from 2% to 10%. LOI made contributions to the plan of approximately \$431,000 and \$435,000 during the years ended December 31, 2025 and 2024, respectively.

HEALTH BENEFIT PLAN

LOI provides medical group insurance through a health care provider for employees and eligible dependents. During the years ended December 31, 2025 and 2024, LOI paid medical insurance premium payments of approximately \$1,757,000 and \$1,787,000, respectively.

12. INCOME TAXES:

Utilizing a 21% enacted tax rate for both the years ending December 31, 2025 and 2024, ZOE's cumulative net operating losses create a deferred tax asset of approximately \$2,715,000 and \$2,614,000, respectively. ZOE does not project generating sufficient taxable income to realize its deferred tax asset; therefore, ZOE has recorded the same amount as a valuation allowance.

13. CONCENTRATION:

LOI received donations totaling \$4,000,000 and \$3,580,000 from one donor during the years ended December 31, 2025 and 2024, respectively. The gifts accounted for approximately 8% and 7% of total revenue during the years ended December 31, 2025 and 2024, respectively.

14. SUBSEQUENT EVENTS:

Subsequent to year-end, James Robison, LOI's founder and chief executive officer, passed away. Following his passing, the board of directors appointed his wife, Betty Robison, as chief executive officer.

Subsequent events have been evaluated through July 7, 2026, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.