

CONSOLIDATED
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

ZOE INTERNATIONAL
ZOE FOUNDATION AUSTRALIA

December 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ZOE International

I have audited the accompanying consolidated financial statements of ZOE International (a nonprofit organization) and ZOE Foundation Australia (a nonprofit organization) which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the 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; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audits. I did not audit the financial statements of ZOE Foundation Australia, a related entity, which statements reflect total assets constituting 1.0% and 1.9% of consolidated total assets as of December 31, 2016 and 2015, respectively, and total support and revenues constituting 2.3% and 3.6% of consolidated total support and revenues, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for ZOE Foundation Australia, is based solely on the report of the other auditors. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of

ROBERT STEPHENSON
An Accountancy Corporation

Board of Directors
ZOE International

the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, based on my audits and the report of other auditors, the consolidated financial statements referred to above present fairly in all material respects, the financial position of ZOE International and ZOE Foundation Australia as of December 31, 2016 and 2015, 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.

A handwritten signature in black ink, appearing to read "RST Stephenson". The signature is written in a cursive, flowing style.

Manhattan Beach, California
September 1, 2017

ZOE International and ZOE Foundation Australia

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Years ended December 31

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash	<u>\$2,565,139</u>	<u>\$1,830,342</u>
Total current assets	2,565,139	1,830,342
Fixed deposit account	7,124	7,574
Property, plant, and equipment, net of accumulated depreciation	<u>3,817,382</u>	<u>2,167,308</u>
Total assets	<u>\$6,389,645</u> =====	<u>\$4,005,224</u> =====
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 40,648</u>	<u>\$ 41,799</u>
Total current liabilities	40,648	41,799
Loans payable due to officers	<u>-</u>	<u>118,053</u>
Total liabilities	40,648	159,852
Net assets:		
Unrestricted	5,008,010	3,129,776
Temporarily restricted for support of program activities:		
Missionary support	350,362	277,544
Children's homes - Thailand	113,723	353,452
Children's homes - Los Angeles	605,010	-
Building Fund - Child rescue center	214,987	-
Other	<u>56,905</u>	<u>84,600</u>
Total temporarily restricted net assets	<u>1,340,987</u>	<u>715,596</u>
Total net assets	<u>6,348,997</u>	<u>3,845,372</u>
Total liabilities and net assets	<u>\$6,389,645</u> =====	<u>\$4,005,224</u> =====

The accompanying notes are an integral part of these financial statements.

ZOE International and ZOE Foundation Australia

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended December 31

	<u>2016</u>	<u>2015</u>
UNRESTRICTED NET ASSETS		
Unrestricted support and revenue		
Contributions	\$ 742,085	\$1,025,081
Merchandise sales	4,134	5,399
Non-cash contributions	-	3,899
Other	<u>1,102</u>	<u>1,939</u>
Total unrestricted support and revenue before release of restricted net assets	747,321	1,036,318
Net assets released from restrictions		
Restrictions satisfied by payments	<u>3,611,253</u>	<u>2,107,957</u>
Total unrestricted support and revenue	<u>4,358,574</u>	<u>3,144,275</u>
Expenses		
Program services	2,027,912	2,011,814
Supporting services		
Fundraising	101,450	220,314
Management and general	<u>387,522</u>	<u>400,947</u>
Total expenses	<u>2,516,884</u>	<u>2,633,075</u>
Increase in unrestricted net assets	<u>1,841,690</u>	<u>511,200</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	4,099,409	1,737,431
Grants	137,235	108,751
Net assets released from restrictions		
Restrictions satisfied by payments	<u>(3,611,253)</u>	<u>(2,107,957)</u>
Increase (decrease) in temporarily restricted net assets	<u>625,391</u>	<u>(261,775)</u>
Increase in net assets	2,467,081	249,425
Net assets, beginning of year	3,845,372	3,833,688
Foreign currency translation adjustments	<u>36,544</u>	<u>(237,741)</u>
Net assets, end of year	\$6,348,997 =====	\$3,845,372 =====

The accompanying notes are an integral part of these financial statements.

ZOE International and ZOE Foundation Australia

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$2,467,081	\$ 249,425
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	135,152	121,380
Forgiveness of loans payable due to officers	(118,053)	-
Increase (decrease) in liabilities		
Accounts payable	<u>(1,151)</u>	<u>18,313</u>
Net cash provided by operating activities	2,483,029	389,118
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases for property and equipment	(1,785,226)	(345,423)
Investment in fixed deposit account	<u>450</u>	<u>(391)</u>
Net cash (used in) investing activities	(1,784,776)	(345,814)
Foreign currency translation adjustment	<u>36,544</u>	<u>(18,935)</u>
NET INCREASE (DECREASE) IN CASH	734,797	24,369
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,830,342</u>	<u>1,805,973</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$2,565,139 =====	\$1,830,342 =====

The accompanying notes are an integral part of these financial statements.

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

ZOE International ("ZOE") is a non-profit organization originally incorporated as ZOE in California on December 7, 2002. The ultimate goal of ZOE is to present the gospel of Jesus Christ to those who have never heard the story of Jesus, inviting them to a life transformation through Christ, and to demonstrate the gospel through the prevention, rescue, and restoration of children victimized by human trafficking worldwide.

On a micro level, ZOE mainly seeks to assist children at risk of human trafficking and children who have already been caught in the snare of slavery. On a macro level, ZOE seeks to help the whole of society shift from a mindset that turns a blind eye toward child trafficking to one that rejects and actively opposes the sexual and financial exploitation of children.

ZOE's vision is to help fulfill God's dream that every person on earth will know Him and possess eternal life through Jesus Christ; and that in lands where Christ is unknown, His love will be experienced, His kingdom will reign, His Church will be built, His disciples will multiply, and He will be glorified.

To that end, ZOE's primary objective is to rescue and protect destitute children from slavery. ZOE desires to provide a holistic answer to the question, "Who will embody the love, mercy, and good news of God to orphans and vulnerable children who have been enslaved or who are highly at risk of being enslaved?" ZOE believes God's heart is broken for these children because He is the "father to the fatherless" (Psalm 68:5). "The thief comes only to steal and kill and destroy; I [Jesus] have come that they may have life (Greek: zoe), and to have it to the full" (John 10:10). Those at ZOE derive great joy and peace, understanding that while the challenges surrounding trafficking issues are immense, God is greater than the evil and is able to overcome it. They desire that all of the world's children will be safe and aware of their worth as beloved creations of the almighty God.

In January 2007, ZOE International Foundation was formed as a nonprofit entity in Thailand. The primary purpose of the entity is to legally operate programs in Thailand, and achieve the objectives of the founding corporation based in the United States. ZOE International Foundation's board of directors has five members, of whom three serve as directors on ZOE's board as well.

In November of 2011, ZOE Foundation Australia, a nonprofit organization, was incorporated and domiciled in Australia. The primary purpose of the entity is to fund the deployment of human trafficking prevention programs and rescue operations in Thailand through the in-country partner, ZOE International Foundation. Additionally, ZOE Foundation Australia raises funds for ZOE children's home in Chiang Mai, Thailand which provides shelter and aftercare to orphans and children at risk of, and those who have been rescued from, human trafficking. ZOE Foundation Australia's board has five members, of whom two serve as directors on ZOE's board as well.

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

ZOE's Child Rescue program is on the cutting edge of prevention, intervention, and aftercare for child trafficking victims. Their multi-faceted strategy includes anti-trafficking education, food and medical provision, leadership training, self-sustainable agriculture, coordinating access to social services, and network-building. They partner with other organizations and area churches to provide food, shoes, and other needed items to vulnerable communities.

ZOE's Children's Homes enables their children to attend public or private schools and provides vocational training as well. In May 2017, ZOE received government authorization to confer official educational diplomas on students who matriculate from ZOE's Learning Center, greatly enhancing their access to better jobs. Life skills education is also part of the Children's Homes program. This includes learning basic agricultural, sewing, cooking, weaving, money handling, and marketplace skills.

ZOE's Transitional Home program supports ZOE young adults, 18 years and over, while they complete their high school education, vocational training, university degree, or obtain suitable employment. ZOE may even offer financial assistance to these young people.

ZOE's two-year Leadership Academy produces educated graduates with strong biblical literacy, an understanding of leadership and business principles, adequate command of English and Thai speech, and ability to articulate human trafficking issues, particularly with respect to the exploitation of children.

ZOE has an active Self-Sustainability program with dedicated agricultural staff on their 33-acre campus, including organic crop production, organic animal husbandry, fish farming, and water conservation. Approximately 12 acres of the campus produces crops including fruit, vegetables, herbs, spices, a mushroom farm, hothouse, and enough corn to feed 150 pigs. They have a composting facility, utilize natural pesticides and herbicides, and have a 1.5 million gallon capacity water reservoir. Their fish farm is estimated to produce 2,500-4,000 kilos of fish per year.

ZOE is constructing a Child Rescue Center in Thailand. The center is a 35,000 sq. ft. state-of-the-art facility covering 2.5 acres of their campus. It serves as a specialized site where representatives from law enforcement, government, and nongovernmental organizations work together to identify and serve victims of child trafficking, including sheltering rescued children.

In 2016, ZOE purchased a 50-acre parcel of land in Los Angeles County to construct a home for children who are survivors of human trafficking.

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Significant Accounting Policies

Consolidation

The accounts, results of operations and cash flows of ZOE and ZOE International Foundation (collectively referred to as "ZOE") have been consolidated in these financial statements pursuant to FASB *Accounting Standards Codification 958 Not-for-Profit Entities*. Topic 958 dictates consolidation when one not-for-profit entity has both control over, and an economic interest in, another not-for-profit entity. Intercompany accounts and transactions have been eliminated in consolidation.

The financial statements consolidated the accounts, results of operations and cash flows of ZOE Foundation Australia with those of ZOE. ZOE has substantial economic interest in the activities of ZOE Foundation Australia ("ZFA"), benefitting from both financial resources and front line personnel. Topic 958 encourages consolidation when one organization has an economic interest, and control that does not result from a majority voting interest, as in the present relationship. Intercompany transactions have been eliminated in consolidation.

Foreign Currency Translation

Assets and liabilities of foreign operations, where the local currency is the functional currency, have been translated at year-end exchange rates and statement of activity accounts have been translated using weighted average yearly exchange rates, as permitted by Financial Accounting Standards Board in FASB *Accounting Standards Codification 830, Foreign Currency Matters*. Adjustments resulting from translation have been recorded as a component of unrestricted net assets.

Method of Accounting

The accompanying consolidated and combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in FASB *Accounting Standards Codification 958, Not-for-Profit Entities*. Under Topic 958, ZOE is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Cash and Cash Equivalents

ZOE considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. At December 31, 2016 and 2015 there were no cash equivalents.

Property, Plant, and Equipment

Property, plant, and equipment purchases of \$1,000 or more are capitalized and depreciated on a straight-line basis over their estimated lives (3-30 years).

Expenditures for maintenance and repairs are charged directly to the appropriate operating account at the time the expense is incurred. Expenditures determined to represent additions and betterments are capitalized.

The cost of assets sold or retired and the related amount of accumulated depreciation are eliminated from the accounts in the year of sale or retirement. Any resulting profit or loss is reflected in the statement of activities.

Valuation of Long-Lived Assets

The valuation of long-lived assets is accounted for under the Financial Accounting Standards Board in FASB *Accounting Standards Codification 360, Property, Plant, and Equipment*. Topic 360 establishes standards for recognizing and measuring impairment of long-lived assets including property and equipment. Assets subject to the provisions of Topic 360 are reviewed for impairment and, if such impairment is identified, written down to their fair value. Identified impairment losses are charged to operations in the statement of activities.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted revenue is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. ZOE and ZFA have not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Expense Allocation

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services, fund-raising, and management and general. ZOE and ZFA have adopted FASB *Accounting Standards Codification 958, Not-for-Profit Entities*. Their policy is to report all joint costs, as defined by Topic 958, as fundraising expenses.

Income Taxes

ZOE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (per determination letter dated March 23, 2007) and state franchise taxes under California Section 23701d (per determination letter dated January 4, 2006). ZFA is exempt from Australian income tax under Division 50 of the Income Tax Assessment Act. ZOE and ZFA did not generate any unrelated business taxable income during the years ended December 31, 2015 and 2014, therefore there is no provision for income or franchise taxes in the accompanying consolidated and combined financial statements. The corporation is no longer subject to examination by the Internal Revenue Service for years ended before December 31, 2013 and the California Franchise Tax Board for years ended before December 31, 2012.

Use of Estimates

The preparation of consolidated and combined 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 and contingent assets and liabilities (e.g., depreciation and potential impairments to fixed assets) at the date of the financial statements, and the reported amounts of revenues and expenses (e.g., the fair value of non-cash contributions received) during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through September 1, 2017, the date the financial statements were available to be issued.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE B - CONCENTRATION OF CREDIT RISK

ZOE and ZFA maintain most of their cash in commercial bank accounts in the United States, Australia and Thailand. The United States funds exceeded insured limits by \$1,172,668 as of December 31, 2016. ZOE holds a fixed deposit account earning interest at 1.60%, and maturing on September 20, 2019. The Thai deposits exceed insured limits by \$925,732 (33,187,493 baht), in addition to cash on hand. The organization has not experienced any losses in these foreign funds aside from those resulting from changes in the currency exchange rates. Funds in the Australian bank are not insured. ZOE and ZFA believe they are not exposed to any significant credit risk related to cash.

Cash consists of the following accounts:

	<u>2016</u>	<u>2015</u>
United States		
Checking accounts	\$1,204,729	\$1,133,159
Savings account	260,773	103,014
Undeposited funds and petty cash	53,936	16,219
Thailand		
Checking account	950,371	473,159
Savings account	1,481	6,786
Cash on hand	28,526	20,009
Australia		
Checking account	<u>65,323</u>	<u>77,996</u>
	\$2,565,139	\$1,830,342
	=====	=====

NOTE C - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consist of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Land	\$ 1,182,382	\$ 586,707
Construction in progress	1,066,699	120,046
Buildings	1,712,944	1,574,425
Furniture and equipment	325,444	284,865
Vehicles	<u>264,898</u>	<u>201,098</u>
	4,552,367	2,767,141
Less accumulated depreciation	<u>(734,985)</u>	<u>(599,833)</u>
Property, plant, and equipment, net	\$ 3,817,382	\$ 2,167,308
	=====	=====

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE D - LOANS PAYABLE DUE TO OFFICERS

Start up costs and initial operating expenses were financed primarily by advances from two officers of ZOE. The unpaid principal balance was due on demand when at their discretion and in good faith, they determine that ZOE is able to remit complete or partial payments. The amount at December 31, 2015 represented an interest-free payable; no interest has been paid since the inception of the loans. During 2016, the officers have forgiven these loans and they are included in unrestricted contributions.

NOTE E - CUMULATIVE CURRENCY TRANSLATION ADJUSTMENT

The cumulative foreign currency translation adjustment included in unrestricted net assets is shown as of December 31:

	<u>2016</u>	<u>2015</u>
Beginning cumulative translation		
adjustment losses	\$ (256,432)	\$ (18,691)
Foreign currency translation gain (loss)	<u>36,544</u>	<u>(237,741)</u>
Ending cumulative translation		
adjustment losses	<u>\$ (219,888)</u>	<u>\$ (256,432)</u>

NOTE F - NON-CASH CONTRIBUTIONS

ZOE receives clothing, medical supplies, equipment and other materials for use in its programs and fundraising efforts. Such non-cash contributions are recorded at their estimated fair market value at the date of donation.

ZOE is also the recipient of many hours of donated services from its supporters participating in short-term missions trips or performing general and administrative activities. The value of their contributed hours is not included in revenues since their services do not meet the Financial Accounting Standards Board criteria for recognition in *FASB Accounting Standards Codification 958, Not-for-Profit Entities*. However Topic 958 does require the recognition of specialized skills that would need to be purchased if they were not donated.

NOTE G - FEDERAL GRANT

ZOE is the recipient of a federal grant to enhance the quality and range of existing comprehensive recovery services for child trafficking victims in Thailand with a special focus on migrant populations and tribal communities. The grant will assist ZOE's efforts to provide physical security, as well as educational and vocational skills to reduce victim vulnerability to trafficking and re-trafficking. The grant will provide \$500,000 and ZOE will be responsible for another \$167,000 of project costs. The grant term ends September 30, 2017. There is \$246,913 of remaining grant funds available as of December 31, 2016.

ZOE International and ZOE Foundation Australia

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

NOTE H - RELATED PARTY TRANSACTIONS

ZOE leases space on a month-to-month basis from The Tani Family Trust for use as an administrative office in Santa Clarita, California. ZOE's president and the wife of ZOE's vice president are both beneficiaries of the Trust, and the latter is the trustee. Office rent expense was \$28,800 in 2016 and 2015.

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
ZOE International

I have audited the consolidated financial statements of ZOE International and ZOE Foundation Australia, as of and for the years ended December 31, 2016 and 2015, and my report thereon dated September 1, 2017, which expressed an unmodified opinion on those financial statements, appears on page 3. My audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules I through IV are presented for purposes of additional analysis of the consolidated financial statements and it is not a required part of the consolidated financial statements. The Schedules V and VI of functional expenses are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information, which insofar as it relates to ZOE Foundation Australia, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Manhattan Beach, California
September 1, 2017

ZOE International and ZOE Foundation Australia
SCHEDULE I: CONSOLIDATING STATEMENT OF FINANCIAL POSITION
Year Ended December 31, 2016

	ZOE International	ZOE Foundation Australia	Elimination	CONSOLIDATED
ASSETS				
Current assets:				
Cash	\$ 2,499,816	\$ 65,323	\$ -	\$ 2,565,139
Total current assets	2,499,816	65,323	-	2,565,139
Fixed deposit account	7,124	-	-	7,124
Property, plant, and equipment, net of accumulated depreciation	3,817,382	-	-	3,817,382
Total assets	<u>\$ 6,324,322</u>	<u>\$ 65,323</u>	<u>\$ -</u>	<u>\$ 6,389,645</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	\$ 38,668	\$ 1,980	\$ -	\$ 40,648
Total current liabilities	38,668	1,980	-	40,648
Total liabilities	38,668	1,980	-	40,648
Net assets:				
Unrestricted	4,947,495	60,515	-	5,008,010
Temporarily restricted for support of program activities:				
Missionary support	347,534	2,828	-	350,362
Children's homes - Thailand	113,723	-	-	113,723
Children's homes - Los Angeles	605,010	-	-	605,010
Building fund - Child rescue center	214,987	-	-	214,987
Other	56,905	-	-	56,905
Total temporarily restricted net assets	1,338,159	2,828	-	1,340,987
Total net assets	6,285,654	63,343	-	6,348,997
Total liabilities and net assets	<u>\$ 6,324,322</u>	<u>\$ 65,323</u>	<u>\$ -</u>	<u>\$ 6,389,645</u>

ZOE International and ZOE Foundation Australia
SCHEDULE II: CONSOLIDATING STATEMENT OF FINANCIAL POSITION
Year Ended December 31, 2015

	<u>ZOE International</u>	<u>ZOE Foundation Australia</u>	<u>Elimination</u>	<u>CONSOLIDATED</u>
ASSETS				
Current assets:				
Cash	\$ 1,752,346	\$ 77,996	\$ -	\$ 1,830,342
Total current assets	1,752,346	77,996	-	1,830,342
Fixed deposit account	7,574	-	-	7,574
Property, plant, and equipment, net of accumulated depreciation	<u>2,167,308</u>	<u>-</u>	<u>-</u>	<u>2,167,308</u>
Total assets	<u>\$ 3,927,228</u>	<u>\$ 77,996</u>	<u>\$ -</u>	<u>\$ 4,005,224</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	\$ 17,911	\$ 23,888	\$ -	\$ 41,799
Total current liabilities	17,911	23,888	-	41,799
Loans payable due to officers	<u>118,053</u>	<u>-</u>	<u>-</u>	<u>118,053</u>
Total liabilities	135,964	23,888	-	159,852
Net assets:				
Unrestricted	3,075,668	54,108		3,129,776
Temporarily restricted for support of program activities:				
Missionary support	277,544	-		277,544
Children's homes	353,452	-		353,452
Short-term missions	-	-		-
Other	<u>84,600</u>	<u>-</u>	<u>-</u>	<u>84,600</u>
Total temporarily restricted net assets	<u>715,596</u>	<u>-</u>	<u>-</u>	<u>715,596</u>
Total net assets	<u>3,791,264</u>	<u>54,108</u>	<u>-</u>	<u>3,845,372</u>
Total liabilities and net assets	<u>\$ 3,927,228</u>	<u>\$ 77,996</u>	<u>\$ -</u>	<u>\$ 4,005,224</u>

ZOE International and ZOE Foundation Australia
SCHEDULE III: CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2016

	ZOE International	ZOE Foundation Australia	Elimination	CONSOLIDATED
UNRESTRICTED NET ASSETS				
Unrestricted support and revenue				
Contributions	\$ 742,517	\$ 34,383	\$ (34,815)	\$ 742,085
Merchandise sales	1,568	2,566	-	4,134
Non-cash contributions	-	-	-	-
Other	755	347	-	1,102
Total unrestricted support and revenue before release of restricted net asset:	744,840	37,296	(34,815)	747,321
Net assets released from restrictions				
Restrictions satisfied by payments	3,535,290	75,963	-	3,611,253
Total unrestricted support and revenue	4,280,130	113,259	(34,815)	4,358,574
Expenses				
Program services	1,973,949	88,778	(34,815)	2,027,912
Supporting services				
Fundraising	99,538	1,912	-	101,450
Management and general	372,348	15,174	-	387,522
Total expenses	2,445,835	105,864	(34,815)	2,516,884
Increase in unrestricted net assets	1,834,295	7,395	-	1,841,690
TEMPORARILY RESTRICTED NET ASSETS				
Contributions	4,020,618	78,791	-	4,099,409
Grants	137,235	-	-	137,235
Net assets released from restrictions				
Restrictions satisfied by payments	(3,535,290)	(75,963)	-	(3,611,253)
Increase in temporarily restricted net assets	622,563	2,828	-	625,391
Increase (decrease) in net assets	2,456,858	10,223	-	2,467,081
Net assets, beginning of year	3,791,264	54,108	-	3,845,372
Cumulative foreign currency translation adjustments	37,532	(988)	-	36,544
Net assets, end of year	\$ 6,285,654	\$ 63,343	\$ -	\$ 6,348,997

ZOE International and ZOE Foundation Australia
SCHEDULE IV: CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

	ZOE International	ZOE Foundation Australia	Elimination	CONSOLIDATED
UNRESTRICTED NET ASSETS				
Unrestricted support and revenue				
Contributions	\$ 1,018,483	\$ 51,711	\$ (45,113)	\$ 1,025,081
Merchandise sales	5,399	-	-	5,399
Non-cash contributions	3,899	-	-	3,899
Other	1,098	841	-	1,939
Total unrestricted support and revenue				
before release of restricted net asset:	1,028,879	52,552	(45,113)	1,036,318
Net assets released from restrictions				
Restrictions satisfied by payments	2,057,981	49,976	-	2,107,957
Total unrestricted support and revenue	3,086,860	102,528	(45,113)	3,144,275
Expenses				
Program services	1,957,382	99,545	(45,113)	2,011,814
Supporting services				
Fundraising	217,973	2,341	-	220,314
Management and general	385,601	15,346	-	400,947
Total expenses	2,560,956	117,232	(45,113)	2,633,075
Increase in unrestricted net assets	525,904	(14,704)	-	511,200
TEMPORARILY RESTRICTED NET ASSETS				
Contributions	1,687,455	49,976	-	1,737,431
Grants	108,751	-	-	108,751
Net assets released from restrictions				
Restrictions satisfied by payments	(2,057,981)	(49,976)	-	(2,107,957)
Decrease in temporarily restricted net assets	(261,775)	-	-	(261,775)
Increase (decrease) in net assets	264,129	(14,704)	-	249,425
Net assets, beginning of year	3,756,979	76,709	-	3,833,688
Cumulative foreign currency translation adjustments	(229,844)	(7,897)	-	(237,741)
Net assets, end of year	\$ 3,791,264	\$ 54,108	\$ -	\$ 3,845,372

ZOE International and ZOE Foundation Australia
SCHEDULE V: CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2016

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
	<u>Humanitarian</u>	<u>Fundraising</u>	<u>Management and General</u>		
Missionary salaries	\$ 929,497	\$ 30,145	\$ 9,866	\$ 969,508	
Accounting and professional services	37,017	600	60,270	97,887	
Conference and meetings	4,511	171	5,252	9,934	
Contributions and support	5,839	-	11,500	17,339	
Depreciation	126,170	-	8,982	135,152	
Donated supplies	-	-	-	-	
Education and vocational training	47,142	149	5,380	52,671	
Equipment, repairs and maintenance	35,314	222	21,742	57,278	
Finance and business expense	9,531	-	18,579	28,110	
Gifts	5,367	330	7,202	12,899	
Marketing	105	14,309	40,219	54,633	
Meals and food	80,297	-	-	80,297	
Medical	14,882	-	647	15,529	
Occupancy	60,039	-	43,256	103,295	
Office Supplies	2,960	125	5,224	8,309	
Other	4,193	-	144	4,337	
Postage	378	431	10,943	11,752	
Printing	2,856	4,740	15,186	22,782	
Relief and aid	28,449	-	-	28,449	
Salaries, benefits and payroll taxes	413,419	50,040	61,477	524,936	
Transportation	59,681	188	6,791	66,660	
Travel	160,265	-	54,862	215,127	
 Total	 <u>\$ 2,027,912</u>	 <u>\$ 101,450</u>	 <u>\$ 387,522</u>	 <u>\$ 2,516,884</u>	

ZOE International and ZOE Foundation Australia
SCHEDULE VI: CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2015

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
	<u>Humanitarian</u>	<u>Fundraising</u>	<u>Management and General</u>	
Missionary salaries	\$ 1,042,710	\$ 31,226	\$ 19,717	\$ 1,093,653
Accounting and professional services	9,175	21,795	53,234	84,204
Conference and meetings	3,064	634	6,115	9,813
Contributions and support	7,657	460	18,976	27,093
Depreciation	113,490	-	8,155	121,645
Donated supplies	-	-	700	700
Education and vocational training	47,962	314	14,507	62,783
Equipment, repairs and maintenance	42,287	870	17,853	61,010
Finance and business expense	8,244	2,895	21,398	32,537
Gifts	9,444	3,754	6,892	20,090
Marketing	(1,682)	83,478	34,588	116,384
Meals and food	81,165	-	-	81,165
Medical	8,088	-	175	8,263
Occupancy	50,633	-	44,399	95,032
Office Supplies	7,517	3,610	4,846	15,973
Other	36,534	-	318	36,852
Postage	(31)	861	10,346	11,176
Printing	3,767	4,788	17,915	26,470
Relief and aid	-	-	-	-
Salaries, benefits and payroll taxes	411,105	62,049	65,039	538,193
Transportation	49,861	210	9,506	59,577
Travel	80,824	3,370	46,268	130,462
	<u>80,824</u>	<u>3,370</u>	<u>46,268</u>	<u>130,462</u>
 Total	 <u>\$ 2,011,814</u>	 <u>\$ 220,314</u>	 <u>\$ 400,947</u>	 <u>\$ 2,633,075</u>