ZOE INTERNATIONAL AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report
In Accordance with
Government Auditing Standards

December 31, 2024 and 2023

ZOE INTERNATIONAL AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
ZOE International and Affiliates
Santa Clarita, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ZOE International and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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 financial position of ZOE International and Affiliates as of December 31, 2024 and 2023, 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.

We did not audit the 2024 and 2023 financial statements of ZOE Foundation Australia, a controlled entity, whose statements reflect total assets constituting approximately 2 percent and 1 percent of consolidated total assets at December 31, 2024 and 2023, respectively, and total revenues constituting approximately 6 percent and 4 percent, respectively, of consolidated total revenues for the years then ended. Those statements, which were prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of ZOE Foundation Australia, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for ZOE Foundation Australia, prior to these conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of ZOE International 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. The financial statements of ZOE Foundation Australia were not audited in accordance with *Government Auditing Standards.*

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Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the 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 ZOE International 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.

Auditors' Responsibilities 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 auditors' 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 and *Government 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 and *Government 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 ZOE International 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 ZOE International 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.

Board of Directors
ZOE International and Affiliates
Santa Clarita, California

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Statements of Financial Position, Consolidating Statements of Activities, and Consolidated Statements of Changes in Property and Equipment on pages 23 - 28 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The State of California Foster Care Program Cost Data Report on pages 29 - 32 and State of California Program Revenue Report on page 33 are also presented for purposes of additional analysis as required by the State of California Department of Social Services. 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 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 our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 27, 2025 on our consideration of ZOE International and Affiliates' internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ZOE International and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ZOE International and Affiliates' internal control over financial reporting and compliance.

Capin Crouse LLC

Ontario, California
June 27, 2025

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statements of Financial Position

	December 31, 2024	December 31, 2023
ASSETS:		
Cash and cash equivalents	$ 3,162,016	$ 2,480,607
Accounts receivable	156,598	249,920
Prepaid expenses and other assets	114,753	123,479
Investments	1,499,819	1,950,461
Cash restricted for long-lived assets	1,359,437	1,298,182
Board-designated cash	100,000	135,000
Right-of-use assets	31,427	44,323
Property and equipment–net	8,147,596	8,351,885
Total Assets	$ 14,571,646	$ 14,633,857
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	$ 45,621	$ 64,094
Accrued expenses	322,564	374,391
Lease obligations	31,427	44,582
Total liabilities	399,612	483,067
Net assets:		
Without donor restrictions:		
Cumulative foreign currency translation adjustment	(84,542)	(50,773)
Board designated	100,000	135,000
Undesignated	11,978,579	11,600,072
	11,994,037	11,684,299
With donor restrictions	2,177,997	2,466,491
Total net assets	14,172,034	14,150,790
Total Liabilities and Net Assets	$ 14,571,646	$ 14,633,857

See notes to consolidated financial statements

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	$ 4,360,337	$ 2,029,943	$ 6,390,280
Contract work	1,096,050	-	1,096,050
Investment income	67,690	-	67,690
Other income, net	46,326	-	46,326
Total Support and Revenue	5,570,403	2,029,943	7,600,346
NET ASSETS RELEASED:			
Purpose restrictions	2,318,437	(2,318,437)	-
EXPENSES:			
Program services:			
Advocacy and education	1,818,095	-	1,818,095
Housing and related services	3,020,761	-	3,020,761
Missions	1,512,120	-	1,512,120
	6,350,976	-	6,350,976
Supporting activities:			
General and administrative	390,335	-	390,335
Fundraising	804,022	-	804,022
	1,194,357	-	1,194,357
Total Expenses	7,545,333	-	7,545,333
Change in Net Assets Before Foreign Currency Translation Adjustments	343,507	(288,494)	55,013
Foreign currency translation adjustments	(33,769)	-	(33,769)
Change in Net Assets	309,738	(288,494)	21,244
Net Assets, Beginning of Year	11,684,299	2,466,491	14,150,790
Net Assets, End of Year	$ 11,994,037	$ 2,177,997	$ 14,172,034

See notes to consolidated financial statements

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	$ 4,240,958	$ 2,422,268	$ 6,663,226
Contract work	1,297,287	-	1,297,287
Investment income	59,680	-	59,680
Other income, net	11,696	-	11,696
Total Support and Revenue	5,609,621	2,422,268	8,031,889
NET ASSETS RELEASED:			
Purpose restrictions	2,293,244	(2,293,244)	-
EXPENSES:			
Program services:			
Advocacy and education	2,721,338	-	2,721,338
Housing and related services	2,926,555	-	2,926,555
Missions	1,270,666	-	1,270,666
	6,918,559	-	6,918,559
Supporting activities:			
General and administrative	549,807	-	549,807
Fundraising	623,933	-	623,933
	1,173,740	-	1,173,740
Total Expenses	8,092,299	-	8,092,299
Change in Net Assets Before Foreign Currency Translation Adjustments	(189,434)	129,024	(60,410)
Foreign currency translation adjustments	103,936	-	103,936
Change in Net Assets	(85,498)	129,024	43,526
Net Assets, Beginning of Year	11,769,797	2,337,467	14,107,264
Net Assets, End of Year	$ 11,684,299	$ 2,466,491	$ 14,150,790

See notes to consolidated financial statements

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services				Supporting Activities		
	Advocacy and Education	Housing and Related Services	Missions	Total Program Services	General and Administrative	Fundraising	Total
Wages and benefits	$ 1,251,103	$ 1,946,755	$ 1,184,769	$ 4,382,627	$ 69,753	$ 506,662	$ 4,959,042
Occupancy	186,261	156,916	12,821	355,998	55,475	26,959	438,432
Transportation and travel	91,666	101,616	166,195	359,477	9,131	19,719	388,327
Marketing and promotion	101,171	24,405	8,992	134,568	-	229,912	364,480
Depreciation	12,622	324,780	5,057	342,459	2,250	9,322	354,031
Grants and support to others	19,912	106,460	62,706	189,078	12,239	3,291	204,608
Accounting and professional services	14,373	79,042	36,799	130,214	72,085	643	202,942
Food and meals	19,349	130,555	15,194	165,098	5,037	1,522	171,657
Equipment, repairs, and maintenance	41,358	72,876	5,225	119,459	42,774	530	162,763
Office expenses	14,050	48,413	1,326	63,789	92,662	716	157,167
Training and conferences	33,026	14,757	2,642	50,425	5,242	1,098	56,765
Supplies	27,689	10,047	7,144	44,880	4,232	2,996	52,108
Postage and printing	5,515	4,139	3,250	12,904	19,455	652	33,011
	$ 1,818,095	$ 3,020,761	$ 1,512,120	$ 6,350,976	$ 390,335	$ 804,022	$ 7,545,333
Percent of Total Expenses	24%	40%	20%	84%	5%	11%	100%

See notes to consolidated financial statements

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services				Supporting Activities		
	Advocacy and Education	Housing and Related Services	Missions	Total Program Services	General and Administrative	Fundraising	Total
Wages and benefits	$ 1,960,056	$ 1,787,603	$ 1,047,814	$ 4,795,473	$ 167,429	$ 266,842	$ 5,229,744
Occupancy	172,178	199,053	10,940	382,171	63,607	24,007	469,785
Transportation and travel	139,590	95,380	118,031	353,001	10,497	82,558	446,056
Marketing and promotion	175,777	12,027	551	188,355	-	174,439	362,794
Depreciation	7,226	314,380	5,161	326,767	9,959	17,893	354,619
Grants and support to others	44,373	141,107	19,537	205,017	17,797	9,641	232,455
Accounting and professional services	25,277	93,186	33,006	151,469	92,387	6,792	250,648
Food and meals	23,465	134,066	9,101	166,632	7,926	11,360	185,918
Equipment, repairs, and maintenance	64,230	36,154	11,879	112,263	3,640	1,002	116,905
Office expenses	28,336	73,419	3,835	105,590	137,392	16,511	259,493
Training and conferences	38,303	20,050	4,180	62,533	16,666	2,958	82,157
Supplies	21,460	15,778	5,489	42,727	1,421	3,611	47,759
Postage and printing	21,067	4,352	1,142	26,561	21,086	6,319	53,966
	$ 2,721,338	$ 2,926,555	$ 1,270,666	$ 6,918,559	$ 549,807	$ 623,933	$ 8,092,299
Percent of Total Expenses	34%	36%	15%	85%	7%	8%	100%

See notes to consolidated financial statements

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended December 31, 2024	Year Ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 21,244	$ 43,526
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	354,031	354,619
Gain on investments	(67,690)	(59,680)
Loss on disposal of property and equipment	-	5,983
Noncash lease expense	(259)	(8,296)
Donated investments	(36,466)	(40,019)
Donated property and equipment	(32,397)	-
Foreign currency translation (gain) loss	33,769	(103,936)
Contributions for long-lived assets	(105,479)	(190,715)
Change in operating assets and liabilities:		
Accounts receivable	93,322	(84,241)
Prepaid expenses and other assets	8,726	(14,269)
Accounts payable	(18,473)	(15,661)
Accrued expenses	(51,827)	103,880
Net Cash Provided (Used) by Operating Activities	198,501	(8,809)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(3,189,763)	(5,611,043)
Proceeds from sales of investments	3,744,561	3,760,281
Purchases of property and equipment	(134,979)	(309,814)
Net Cash Provided (Used) by Investing Activities	419,819	(2,160,576)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions for long-lived assets	105,479	190,715
Net Cash Provided by Financing Activities	105,479	190,715
Effect of Exchange Rate Changes on Cash	(16,135)	30,805
Net Change in Cash and Cash Equivalents, Cash Restricted for Long-Lived Assets, and Board-Designated Cash	707,664	(1,947,865)
Cash and Cash Equivalents, Cash Restricted for Long-Lived Assets, and Board-Designated Cash, Beginning of Year	3,913,789	5,861,654
Cash and Cash Equivalents, Cash Restricted for Long-Lived Assets, and Board-Designated Cash, End of Year	$ 4,621,453	$ 3,913,789

(continued)

See notes to consolidated financial statements

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statements of Cash Flows
(continued)

	Year Ended December 31,	
	2024	2023
CASH AND CASH EQUIVALENTS, CASH RESTRICTED FOR LONG-LIVED ASSETS, AND BOARD-DESIGNATED CASH CONSISTS OF:		
Cash and cash equivalents	$ 3,162,016	$ 2,480,607
Cash restricted for long-lived assets	1,359,437	1,298,182
Board-designated cash	100,000	135,000
	$ 4,621,453	$ 3,913,789
NON-CASH TRANSACTIONS:		
Right-of-use assets obtained in exchange for operating lease obligations	$ 32,758	$ -

See notes to consolidated financial statements

1. NATURE OF ORGANIZATION:

ZOE (ZO-ay') International is a non-profit organization originally incorporated in California as ZOE International Ministries on December 7, 2002. The vision of ZOE International and Affiliates, which includes ZOE International, ZOE International Foundation, ZOE Life Foundation, ZOE Foundation Australia, ZOE Japan, and ZOE Mexico (collectively, ZOE) is that every person we reach and every child we rescue would experience God's LIFE. The mission of ZOE is to reach every person and rescue every child. Reaching every person entails bringing the Good News and training followers of Jesus Christ. Rescuing every child entails ending child trafficking and restoring survivors and at-risk orphans. ZOE receives its income primarily from charitable contributions and from work performed under specific government contracts. ZOE is located in five countries, working to fulfill the vision and mission by supporting a number of programs that fall into these three main categories:

- Advocacy and Education
- Housing and Related Services
- Missions

ADVOCACY AND EDUCATION

Through ZOE's Advocacy Program, we serve children and families who have been impacted by human trafficking or are at high risk of trafficking. We are so thankful for our amazing partners who provide opportunities and experiences for the children we serve. ZOE has an advocacy services contract and a placement contract for ZOE Home for Youth (ZHY) with the County of Los Angeles (the County) and Department of Children and Family Services (DCFS), and ZOE supports the DCFS in a variety of ways. In addition, ZOE has a contract with the County's Department of Mental Health (DMH), providing clinical consultation, crisis support for staff and youth, and therapy (as needed) for the youth who have experienced severe forms of trauma. Realizing the toll this work takes on our staff we provide therapeutic support for our ZOE team as they minister to the youth. ZOE supplies resources and gifts and assists in coordinating events for the trafficked children served by the County, as well as conducts human trafficking awareness and prevention events that provide information throughout the County. Engagement activities at the home include trauma informed, arts-based activities teaching life skills and positive strategies to respond to life challenges.

ZOE produces podcasts that we hope will educate the world about the issue of human trafficking. In our podcast "Light in the Darkness," we aim to shine the light on the issue of human trafficking by sharing honest stories of hope and by sharing practical advice that we hope will inspire others to fight for freedom. Another of our podcasts, ZOE Japan's "Let's stop child trafficking!" explores the child trafficking situation in Japan, by diving deep into topics such as child pornography, compensated dating, and more.

ZOE is also focused on education and development of knowledge. We create high-quality, educational brochures, videos, and other materials to educate the public about how to protect themselves and their communities from trafficking. Part of the restoration process for the older teens is giving them tools to be able to live a life outside of our home. We are building a Vocational Center in Thailand called, "Discovery Street," that will provide them with life skills needed for independent living so they will no longer be re-victimized. In the future, Discovery Street will serve as a model for other locations as we continue to expand.

1. NATURE OF ORGANIZATION, continued:

HOUSING AND RELATED SERVICES

Of the 13 high-intensity areas identified in the United States by the Federal Bureau of Investigation for child sex trafficking, three are located in California: Los Angeles, San Francisco, and San Diego metropolitan areas. ZOE Home for Youth (ZHY) provides specialized, intensive treatment and 24-hour care and supervision for up to 6 youth, ages 12-17, who have experienced Commercial Sexual Exploitation and other slave-like treatment. ZHY supports youth in developing family connections and natural community support. Staff assist youth and families in identifying and cultivating their inherent strengths to aid in their healing process from the impacts of trauma. These relational connections ease their transitions to family-based placement or independent living and promote long-term personal success. ZOE also provides resources, referral services, mental health services, and trauma informed activities to young survivors of trafficking who are in the care of the County's DCFS and Department of Probation. ZOE provides ongoing victim advocacy services for children and their families upon rescue from trafficking or when a social worker suspects a child is being trafficked or at risk of being trafficked.

ZOE Foundation (Thailand) resides on 35 acres in an undisclosed location. Currently we have our main home, boy's home, Child Rescue Center, vocational center, and recreation area with a pool. The goal of ZOE's Restoration Program is to help to restore the lives of human trafficking survivors and help them heal from their past, so they can act on their courage to plan for their bright future. 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 Foundation (Thailand) enables their children to attend public or private schools. Life skills education is also part of the Children's Homes program in Thailand. This includes learning basic agricultural, sewing, cooking, weaving, money handling, and marketplace skills. In May 2017, ZOE received Thai government authorization to confer official educational diplomas on students who matriculate from ZOE's Learning Center, greatly enhancing their access to better jobs. The Center provides traditional and vocational education to children at ZOE who are unable to attend school off campus due to educational delays or safety concerns related to ongoing court cases.

Education is extended to adults as well. ZOE Life Foundation (Thailand) is raising up national leaders to influence the nations by equipping future leaders for success in life and ministry. We teach leadership principles and biblical character by instructing in the Bible, business, various vocations, and technology. We also teach the English language with cross cultural awareness for career enhancement.

1. NATURE OF ORGANIZATION, continued:

MISSIONS

Jesus said to His disciples, "The harvest truly is plentiful, but the laborers are few. Therefore, pray the Lord of the harvest to send out laborers into His harvest." (Matthew 9:37-38). ZOE employs a number of missionaries and their families. Many of our missionaries have joined our anti-human trafficking organization after witnessing children rescued from human trafficking transform into happy and well-rounded individuals. The restoration they witnessed in ZOE children was enough to leave their homes and jobs in the United States to serve as ZOE missionaries in Thailand. Having God's heart for the nations makes us better Christians, resulting in our service to Him growing and expanding wherever He plants us. ZOE is inspiring the church to engage in world missions by teaching at churches, seminars, and conferences; providing long-term missionary training and placement; planning specialized short-term missions; and encouraging continual prayer until every person has heard the gospel.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements for the years ended December 31, 2024 and 2023, include the assets, liabilities, net assets, revenues, and expenses of ZOE International (ZI), which operates in the United States; ZOE International Foundation (ZIF), which operates in Thailand; ZOE Life Foundation (ZL), which was created during the year ended December 31, 2023 and operates in Thailand; ZOE Foundation Australia (ZFA); ZOE Japan (ZJ); and ZOE Mexico (ZM) (collectively referred to as ZOE). ZI has both board and economic control over ZIF, and ZI has economic interest and sufficient governance control over ZLF, ZFA, ZJ, and ZM to permit consolidation. All intercompany transactions and balances have been eliminated within the consolidated financial statements.

TAX STATUS

ZOE International is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. In addition, ZOE International is not classified as a private foundation within the meaning of Section 509(a) of the IRC. ZOE's primary source of support and revenue is contributions. ZIF and ZL are exempt from income tax in accordance with the Thailand Civil and Commercial Code. ZFA is exempt from Australian income tax under Division 50 of the Income Tax Assessment Act. ZJ is exempt from Japanese income tax pursuant to the 2017 Corporation Tax Act of Japan. ZM is also tax exempt under Article 79 of the Mexican Income Tax Law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ZOE 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 significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS, CASH RESTRICTED FOR LONG-LIVED ASSETS, AND BOARD-DESIGNATED CASH

Cash and cash equivalents, including cash restricted for long-lived assets and board designated cash, consist of cash held in checking and savings accounts and petty cash. As of December 31, 2024 and 2023, ZOE had cash and cash equivalents on deposit with financial institutions that exceeded the federally insured limits by approximately $4,060,000 and $3,000,000, respectively. Cash restricted for long-lived assets includes donor-restricted funds received, but not expended for Discovery Street and other building projects in Thailand. Board-designated cash represents cash designated by the board for fire insurance and fire mitigation as described in Note 8.

ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due from the County for contract work performed by ZOE prior to year-end. Based on historical collections and management's analysis of current and projected future factors, an allowance for doubtful accounts was not recorded as of December 31, 2024 and 2023. All amounts were fully collected subsequent to December 31, 2024 and 2023.

INVESTMENTS

Investments consist of cash held for investment, U.S. Treasury bills, money market mutual funds, and equity securities. Cash held for investment is held at cost, and all other investments are carried at fair value. Marketable securities donated to ZOE are recorded at fair value on the date of donation.

Realized and unrealized gains or losses in fair value are recognized in the year in which they occur and are reflected as investment income in the consolidated statements of activities. Interest and dividend income is recorded as investment income when it is earned.

Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of ZOE's investments and total net assets balance could fluctuate materially.

RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

Some of ZOE's contracts contain the right to control the use of property or assets and are therefore considered leases. ZOE records right-of-use assets and lease obligations on the consolidated statements of financial position for the rights and obligations created by leases with initial terms of more than twelve months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT–NET

Items capitalized as property and equipment are recorded at cost or, if donated, at fair market value on the date of the gift. Purchases and donations in excess of $3,000 are capitalized, if the expected useful life exceeds one year. Donated items are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent any donor stipulations, these restrictions expire when the assets are acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation, excluding land and construction in progress is computed on the straight line method over the estimated useful lives of the assets, which range from three to thirty years.

NET ASSETS

Net assets are reported in the consolidated financial statements as follows:

Net assets without donor restrictions include resources currently available to support current operations under the direction of the board, those resources invested in property and equipment, and a reserve designated by the board for self-funded insurance as described in Note 8.

Net assets with donor restrictions include resources contributed with donor stipulations for specific projects and ministries.

SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor. Donated assets are recorded as contributions at their estimated fair value on the date of donation based on comparable markets in the country where they were donated, and the assets are generally utilized in ministry operations when received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued

ZOE has various contracts with the County to provide advocacy services, short-term residential therapeutic services, and mental health services to youth in need. ZOE recognizes revenue as the services are provided, and any amounts recognized but not yet collected as of year-end are reported in accounts receivable in the consolidated statements of financial position. Based on historical collections and management's analysis of current and projected future factors, an allowance for doubtful accounts was not recorded as of December 31, 2024 and 2023. All amounts were fully collected subsequent to December 31, 2024 and 2023.

The beginning and ending accounts receivable balances related to contract work were as follows:

	December 31,		
	2024	2023	2022
Accounts receivable	$ 156,598	$ 249,920	$ 165,679

Investment income and other income is recognized when earned, and expenses are recognized as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of functional expenses. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Accordingly, certain costs have been allocated among the program services and supporting activities and require an allocation on a reasonable basis that is consistently applied. The expenses that are allocated include items such as occupancy, which is allocated on a square-footage and usage basis, as well as items such as wages and benefits, which are allocated on the basis of estimated time and effort. Other costs are allocated based on the underlying purpose of the expenses.

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

Assets and liabilities of foreign operations, where the local currency is the functional currency, have been translated to U.S. dollars at year-end exchange rates and consolidated statements of activities accounts have been translated to U.S. dollars using weighted average yearly exchange rates. Net gains and losses resulting from foreign exchange transactions are included in the consolidated statements of activities. The following represents the change in cumulative translation adjustments:

	Year Ended December 31,	
	2024	2023
Beginning cumulative translation adjustment losses	$ (50,773)	$ (154,709)
Foreign currency translation adjustments	(33,769)	103,936
Ending cumulative translation adjustment losses	$ (84,542)	$ (50,773)

RECLASSIFICATION

Certain reclassifications have been made to the 2023 consolidated financial statements to conform to the 2024 consolidated financial statement presentation. These changes included reclassifying $369,615 of cash and cash equivalents to cash restricted for long-lived assets on the consolidated statements of financial position and to increase contributions for long-lived assets and proceeds from contributions for long-lived assets on the consolidated statements of cash flows by $124,948. These reclassifications had no effect on net assets or change in net assets for the years ended December 31, 2024 or 2023.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects ZOE's financial assets, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or subject to donor purpose or time restrictions, net of spending pursuant to the restrictions within one year.

	December 31, 2024	December 31, 2023
Financial assets:		
Cash and cash equivalents	$ 3,162,016	$ 2,480,607
Accounts receivable	156,598	249,920
Investments	1,499,819	1,950,461
Cash restricted for long-lived assets	1,359,437	1,298,182
Board-designated cash	100,000	135,000
Financial assets, year-end:	6,277,870	6,114,170
Less those unavailable for general expenditure within one year, due to:		
Cash restricted for long-lived assets	(1,359,437)	(1,298,182)
Board-designated cash	(100,000)	(135,000)
Restricted net assets not expected to be released	(238,613)	(67,127)
	(1,698,050)	(1,500,309)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,579,820	$ 4,613,861

ZOE structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through periodic reviews and board meetings.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS:

ZOE uses appropriate valuation techniques in compliance with Fair Value Measurements Topic of the FASB Accounting Standards Codification (ASC). 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. ZOE uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ZOE 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. There were no changes in valuation techniques for the years ended December 31, 2024 and 2023.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS, continued:

Fair values of assets measured on a recurring basis as of December 31, 2024 are:

	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2
U.S. Treasury bills	$ 353,317	$ -	$ 353,317
Money market mutual funds	677,558	677,558	-
Equities	37,470	37,470	-
	1,068,345	$ 715,028	$ 353,317
Investments held at cost:			
Cash	431,474		
	$ 1,499,819		

Fair values of assets measured on a recurring basis as of December 31, 2023 are:

	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2
U.S. Treasury bills	$ 1,549,643	$ -	$ 1,549,643
Money market mutual funds	13,061	13,061	-
	1,562,704	$ 13,061	$ 1,549,643
Investments held at cost:			
Cash	387,757		
	$ 1,950,461		

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

	December 31, 2024	December 31, 2023
Land	$ 1,737,657	$ 1,741,284
Buildings and building improvements	7,456,019	7,425,650
Furniture, fixtures, and equipment	707,809	697,296
Vehicles	483,678	479,655
	10,385,163	10,343,885
Less accumulated depreciation and amortization	(2,748,148)	(2,427,935)
	7,637,015	7,915,950
Construction in progress	510,581	435,935
	$ 8,147,596	$ 8,351,885

6. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS:

ZI, ZFA, and ZJ each lease office buildings under noncancellable operating leases that have varying expiration dates through 2026. The official lease term for the ZI office lease concluded during the year ended December 31, 2023, and it became a month-to-month lease at that time. The discount rates represent the risk-free discount rates using a period comparable with that of an individual lease term on the inception date of the leases. In total, the leases require monthly payments of approximately $3,359 with discount rates ranging from 1.47% to 4.06%.

	December 31,	
	2024	2023
Operating lease right-of-use assets	$ 31,427	$ 44,323
Operating lease obligation	$ 31,427	$ 44,582
Operating lease costs	$ 29,084	$ 193,423
Cash paid for operating leases	$ 29,343	$ 201,719
Short-term lease costs	$ 152,185	$ -
Weighted-average discount rate	1.67%	2.27%
Weighted-average remaining lease term	0.26	0.96

Future minimum lease payments required under operating leases that have a lease term in excess of one year are as follows:

Year Ending December 31,	
2025	$ 32,428
2026	11,502
	43,930
Less imputed interest	(12,503)
	$ 31,427

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consists of:

	December 31, 2024	December 31, 2023
Discovery Street	$ 922,330	$ 928,567
Missionaries	558,712	587,375
LA home building projects	437,106	369,614
G.O.D. project	228,564	448,564
Other projects	31,285	132,371
	$ 2,177,997	$ 2,466,491

8. BOARD DESIGNATED NET ASSETS:

During the year ended December 31, 2023, the board of directors designated $135,000 to be held as self-funded fire insurance and fire mitigation for property owned in Southern California. During the year ended December 31, 2024, the board approved an expenditure of $59,000 for precautionary fire mitigation upgrades and other operating costs and reserved an additional $24,000. Therefore as of December 31, 2024, there was $100,000 designated by the board for fire insurance and mitigation.

9. CONCENTRATION RISK:

During the years ended December 31, 2024 and 2023, a single donor contributed $1,360,000 to ZI, which is approximately 22% and 20%, respectively, of total contributions revenue recognized in the consolidated statements of activities. This donor became a member of the board of directors during the year ended December 31, 2024.

10. RELATED PARTIES:

During the years ended December 31, 2024 and 2023, members of the board of directors contributed approximately $1,380,000, and $23,000 which is approximately 21.9% and 0.3% of total contributions revenue recognized in the consolidated statements of activities, respectively.

11. SUBSEQUENT EVENTS:

Subsequent events were evaluated through June 27, 2025, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

ZOE INTERNATIONAL AND AFFILIATES

Consolidating Statement of Financial Position

December 31, 2024

	ZI, ZIF, ZL, and ZM	ZFA	ZJ	Eliminations	Total
ASSETS:					
Cash and cash equivalents	$ 2,679,417	$ 317,515	$ 165,084	$ -	$ 3,162,016
Accounts receivable	156,598	-	-	-	156,598
Prepaid expenses and other assets	105,260	-	9,493	-	114,753
Investments	1,499,819	-	-	-	1,499,819
Cash restricted for long-lived assets	1,359,437	-	-	-	1,359,437
Board-designated cash	100,000	-	-	-	100,000
Right-of-use assets	-	27,536	3,891	-	31,427
Property and equipment–net	8,138,710	-	8,886	-	8,147,596
Total Assets	$ 14,039,241	$ 345,051	$ 187,354	$ -	$ 14,571,646
LIABILITIES AND NET ASSETS:					
Liabilities:					
Accounts payable	$ 39,329	$ 6,292	$ -	$ -	$ 45,621
Accrued expenses	289,487	18,029	15,048	-	322,564
Lease obligations	-	27,536	3,891	-	31,427
Total liabilities	328,816	51,857	18,939	-	399,612
Net assets:					
Without donor restrictions:					
Cumulative foreign currency translation adjustment	42,666	(61,556)	(65,652)	-	(84,542)
Board designated	100,000	-	-	-	100,000
Undesignated	11,389,762	354,750	234,067	-	11,978,579
	11,532,428	293,194	168,415	-	11,994,037
With donor restrictions	2,177,997	-	-	-	2,177,997
Total net assets	13,710,425	293,194	168,415	-	14,172,034
Total Liabilities and Net Assets	$ 14,039,241	$ 345,051	$ 187,354	$ -	$ 14,571,646

ZOE INTERNATIONAL AND AFFILIATES

Consolidating Statement of Financial Position

December 31, 2023

	ZI, ZIF, and ZM	ZFA	ZJ	Eliminations	Total
ASSETS:					
Cash and cash equivalents	$ 2,177,901	$ 130,886	$ 171,820	$ -	$ 2,480,607
Accounts receivable	249,920	-	-	-	249,920
Prepaid expenses and other assets	111,448	-	12,031	-	123,479
Investments	1,950,461	-	-	-	1,950,461
Cash restricted for long-lived assets	1,298,182	-	-	-	1,298,182
Board designated cash	135,000	-	-	-	135,000
Right-of-use assets	-	17,284	27,039	-	44,323
Property and equipment–net	8,343,458	-	8,427	-	8,351,885
Total Assets	$ 14,266,370	$ 148,170	$ 219,317	$ -	$ 14,633,857
LIABILITIES AND NET ASSETS:					
Liabilities:					
Accounts payable	$ 60,801	$ 3,293	$ -	$ -	$ 64,094
Accrued expenses	332,073	35,386	6,932	-	374,391
Lease obligations	-	17,543	27,039	-	44,582
Total liabilities	392,874	56,222	33,971	-	483,067
Net assets:					
Without donor restrictions:					
Cumulative foreign currency translation adjustment	35,500	(40,025)	(46,248)	-	(50,773)
Board designated	135,000	-	-	-	135,000
Undesignated	11,236,505	131,973	231,594	-	11,600,072
	11,407,005	91,948	185,346	-	11,684,299
With donor restrictions	2,466,491	-	-	-	2,466,491
Total net assets	13,873,496	91,948	185,346	-	14,150,790
Total Liabilities and Net Assets	$ 14,266,370	$ 148,170	$ 219,317	$ -	$ 14,633,857

ZOE INTERNATIONAL AND AFFILIATES

Consolidating Statement of Activities

Year Ended December 31, 2024

	ZI, ZIF, and ZM	ZFA	ZJ	Eliminations	Total
SUPPORT AND REVENUE:					
Contributions	$ 5,912,444	$ 557,136	$ 345,831	$ (425,131)	$ 6,390,280
Contract work	1,096,050	-	-	-	1,096,050
Investment income	67,690	-	-	-	67,690
Other income, net	40,333	5,917	76	-	46,326
Total Support and Revenue	7,116,517	563,053	345,907	(425,131)	7,600,346
EXPENSES:					
Program services					
Advocacy and education	1,774,618	176,382	167,455	(300,360)	1,818,095
Housing and related services	2,998,951	21,810	-	-	3,020,761
Missions	1,390,803	109,351	136,737	(124,771)	1,512,120
	6,164,372	307,543	304,192	(425,131)	6,350,976
Supporting activities:					
General and administrative	335,291	31,815	23,229	-	390,335
Fundraising	787,091	918	16,013	-	804,022
	1,122,382	32,733	39,242	-	1,194,357
Total Expenses	7,286,754	340,276	343,434	(425,131)	7,545,333
Change in Net Assets Before Foreign Currency Translation Adjustments	(170,237)	222,777	2,473	-	55,013
Foreign currency translation adjustments	7,166	(21,531)	(19,404)	-	(33,769)
Change in Net Assets	(163,071)	201,246	(16,931)	-	21,244
Net Assets, Beginning of Year	13,873,496	91,948	185,346	-	14,150,790
Net Assets, End of Year	$ 13,710,425	$ 293,194	$ 168,415	$ -	$ 14,172,034

ZOE INTERNATIONAL AND AFFILIATES

Consolidating Statement of Activities

Year Ended December 31, 2023

	ZI, ZIF, and ZM	ZFA	ZJ	Eliminations	Total
SUPPORT AND REVENUE:					
Contributions	$ 6,459,621	$ 291,933	$ 229,211	$ (317,539)	$ 6,663,226
Contract work	1,297,287	-	-	-	1,297,287
Investment income	59,680	-	-	-	59,680
Other income, net	6,491	4,963	242	-	11,696
Total Support and Revenue	7,823,079	296,896	229,453	(317,539)	8,031,889
EXPENSES:					
Program services					
Advocacy and education	2,624,096	228,267	149,766	(280,791)	2,721,338
Housing and related services	2,916,435	10,120	-	-	2,926,555
Missions	1,153,748	139,948	116,918	(139,948)	1,270,666
	6,694,279	378,335	266,684	(420,739)	6,918,559
Supporting activities:					
General and administrative	471,586	50,911	27,310	-	549,807
Fundraising	602,333	6,903	14,697	-	623,933
	1,073,919	57,814	42,007	-	1,173,740
Total Expenses	7,768,198	436,149	308,691	(420,739)	8,092,299
Change in Net Assets Before Foreign Currency Translation Adjustments	54,881	(139,253)	(79,238)	103,200	(60,410)
Foreign currency translation adjustments	127,728	(3,910)	(19,882)	-	103,936
Change in Net Assets	182,609	(143,163)	(99,120)	103,200	43,526
Net Assets, Beginning of Year	13,690,887	235,111	284,466	(103,200)	14,107,264
Net Assets, End of Year	$ 13,873,496	$ 91,948	$ 185,346	$ -	$ 14,150,790

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statement of Changes in Property and Equipment

Year Ended December 31, 2024

	Balance at December 31, 2023	Additions and Donated Assets	Retirements and Reclasses	Translation Gain/(Loss)	Balance at December 31, 2024
ZOE International (USA)					
Land	$ 592,383	$ -	$ -	$ -	$ 592,383
Buildings and building improvements	3,521,377	32,000	-	-	3,553,377
Furniture, fixtures, and equipment	205,678	-	-	-	205,678
Vehicles	146,066	-	-	-	146,066
	4,465,504	32,000	-	-	4,497,504
ZOE International Foundation (Thailand)					
Land	1,148,901	-	-	(3,627)	1,145,274
Buildings and building improvements	3,904,273	-	10,690	(12,321)	3,902,642
Furniture, fixtures, and equipment	474,188	4,916	-	(266)	478,838
Vehicles	333,589	738	(33,819)	4,707	305,215
Construction in progress	435,935	97,325	(10,689)	(11,990)	510,581
	6,296,886	102,979	(33,818)	(23,497)	6,342,550
ZOE International Foundation (Thailand)					
Vehicles					
	-	32,397	-	-	32,397
	-	32,397	-	-	32,397
ZOE Japan					
Furniture, fixtures, and equipment	17,430	-	-	5,863	23,293
	17,430	-	-	5,863	23,293
	$ 10,779,820	$ 167,376	$ (33,818)	$ (17,634)	$ 10,895,744
Accumulated Depreciation					
Buildings and building improvements	$ 1,468,829	$ 265,879	$ -	$ -	$ 1,734,708
Furniture, fixtures, and equipment	600,321	41,125	-	-	641,446
Vehicles	358,785	47,027	(33,818)	-	371,994
	2,427,935	354,031	(33,818)	-	2,748,148
Property and equipment–net	$ 8,351,885	$ (186,655)	$ -	$ (17,634)	$ 8,147,596

ZOE INTERNATIONAL AND AFFILIATES

Consolidated Statement of Changes in Property and Equipment

Year Ended December 31, 2023

	Balance at December 31, 2022	Additions	Retirements and Reclasses	Translation Gain/(Loss)	Balance at December 31, 2023
ZOE International (USA)					
Land	$ 592,383	$ -	$ -	$ -	$ 592,383
Buildings and building improvements	3,508,407	12,970	-	-	3,521,377
Furniture, fixtures, and equipment	149,006	56,672	-	-	205,678
Vehicles	99,638	50,622	(4,194)	-	146,066
Construction in progress	-	-	-	-	-
	4,349,434	120,264	(4,194)	-	4,465,504
ZOE International Foundation (Thailand)					
Land	1,128,382	7,722	-	12,797	1,148,901
Buildings and building improvements	3,845,742	7,721	-	50,810	3,904,273
Furniture, fixtures, and equipment	506,178	14,665	(47,441)	786	474,188
Vehicles	332,795	-	(6,139)	6,933	333,589
Construction in progress	276,670	159,442	(3,047)	2,870	435,935
	6,089,767	189,550	(56,627)	74,196	6,296,886
ZOE Japan					
Furniture, fixtures, and equipment	18,495	-	-	(1,065)	17,430
	18,495	-	-	(1,065)	17,430
	$ 10,457,696	$ 309,814	$ (60,821)	$ 73,131	$ 10,779,820
Accumulated Depreciation					
Buildings and building improvements	$ 1,203,840	$ 264,989	$ -	$ -	$ 1,468,829
Furniture, fixtures, and equipment	591,456	56,306	(47,441)	-	600,321
Vehicles	332,858	33,324	(7,397)	-	358,785
	2,128,154	354,619	(54,838)	-	2,427,935
Property and equipment–net	$ 8,329,542	$ (44,805)	$ (5,983)	$ 73,131	$ 8,351,885

ZOE INTERNATIONAL AND AFFILIATES

State of California Foster Care Program Cost Data Report

Year Ended December 31, 2024

Number of AFDC-FC children/youth placed during the reporting period (served at least 14 days or more in a month) - 10

	Program Name	Program Number	Corporate Number	Corp. Fiscal Year		
	STRTP	2591.14.01	14-1862549	01/2024-12/2024		
	A	**B**	**C**	**D**	**E**	**F**
	Total Program and Operation Costs	Offsets (from other funding sources)	Net Program and Admin Costs (A-B)	Program Costs	Admin, Management and General (C-D)	Percentage of Total Costs
Cost Groups:						
Section 1: Personnel Costs						
Salary and Wages						
1 Executive Director	$ 51,500	$ -	$ 51,500	$ 38,625	$ 12,875	4.27%
2 Assistant Director	49,587	-	49,587	49,587	-	4.11%
3 Program Director & Administrator	50,136	-	50,136	37,602	12,534	4.15%
4 Recruitment or Training	-	-	-	-	-	0.00%
5 Direct Care Staff	378,740	-	378,740	378,740	-	31.38%
6 First Line Supervisor	138,739	137,175	1,564	1,564	-	11.49%
7 Administrative Support Staff	82,059	-	82,059	-	82,059	6.80%
8 Client Support Staff	21,071	-	21,071	21,071	-	1.75%
9 Social Worker Payroll and/or Social Worker Contracts	48,044	-	48,044	48,044	-	3.98%
10 Social Worker Supervisor	-	-	-	-	-	0.00%
11 Other Personnel Costs	-	-	-	-	-	0.00%
	819,876	137,175	682,701	575,233	107,468	67.93%

(continued)

ZOE INTERNATIONAL AND AFFILIATES

State of California Foster Care Program Cost Data Report

Year Ended December 31, 2024

		Program Name STRTP		Program Number 2591.14.01	Corporate Number 14-1862549	Corp. Fiscal Year 01/2024-12/2024	
		A	**B**	**C**	**D**	**E**	**F**
		Total Program and Operation Costs	Offsets (from other funding sources)	Net Program and Admin Costs (A-B)	Program Costs	Admin, Management and General (C-D)	Percentage of Total Costs
			(continued)				
Fringe Benefits and Payroll Taxes							
12	Payroll Taxes	57,771	-	57,771	-	57,771	4.79%
13	Health, Dental, Vision, Etc.	15,492	-	15,492	-	15,492	1.28%
14	Retirement	7,069	-	7,069	-	7,069	0.59%
15	Worker's Compensation Insurance	-	-	-	-	-	0.00%
16	Other Costs	-	-	-	-	-	0.00%
		80,332	-	80,332	-	80,332	6.66%
	Total Section 1: Personnel Costs	900,208	137,175	763,033	575,233	187,800	74.58%
	Section 2: Operational Costs						
17	Accreditation Expense	-	-	-	-	-	0.00%
17.5	Amortization Expense	-	-	-	-	-	0.00%
18	Conference, Meetings, In-service Training	-	-	-	-	-	0.00%
19	Depreciation Expense	164,116	-	164,116	164,116	-	13.60%
19.5	Dues, Membership, and Subscriptions	1,240	-	1,240	1,240	-	0.10%
20	Equipment Leases	-	-	-	-	-	0.00%
20.5	Insurance	14,436	-	14,436	14,436	-	1.20%

(continued)

ZOE INTERNATIONAL AND AFFILIATES

State of California Foster Care Program Cost Data Report

Year Ended December 31, 2024

	Program Name	Program Number	Corporate Number	Corp. Fiscal Year	
	STRTP	2591.14.01	14-1862549	01/2024-12/2024	

	A	B	C	D	E	F
	Total Program and Operation Costs	Offsets (from other funding sources)	Net Program and Admin Costs (A-B)	Program Costs	Admin, Management and General (C-D)	Percentage of Total Costs
			(continued)			
21	Licenses and Permits	450	-	450	450	-	0.04%
21.5	Office, Postage and Printing Expense	5,620	-	5,620	-	5,620	0.47%
22	Professional & Auditing Fees	4,057	-	4,057	-	4,057	0.34%
22.5	Repairs & Maintenance	11,026	-	11,026	11,026	-	0.91%
23	Shelter Costs - Building Rent & Lease	-	-	-	-	-	0.00%
23.5	Shelter Costs - Mortgage Interest, Tax, and Insurance	4,243	-	4,243	-	4,243	0.35%
24	Telephone	10,545	-	10,545	-	10,545	0.87%
24.5	Recruitment or Training Expense	1,173	-	1,173	1,173	-	0.10%
25	Resource Family Approval	-	-	-	-	-	0.00%
25.5	Utilities	20,623	-	20,623	20,623	-	1.71%
26	Vehicles & Transportation Expense	16,263	-	16,263	16,263	-	1.35%
26.5	Other Operational Costs (Note 1)	53,010	516	52,494	52,494	-	4.39%
	Total Section 2: Operational Costs	306,802	516	306,286	281,821	24,465	25.42%

(continued)

ZOE INTERNATIONAL AND AFFILIATES

State of California Foster Care Program Cost Data Report

Year Ended December 31, 2024

		Program Name	Program Number	Corporate Number	Corp. Fiscal Year		
		STRTP	2591.14.01	14-1862549	01/2024-12/2024		
		A	**B**	**C**	**D**	**E**	**F**
		Total Program and Operation Costs	Offsets (from other funding sources)	Net Program and Admin Costs (A-B)	Program Costs	Admin, Management and General (C-D)	Percentage of Total Costs
			(continued)				
	Section 3: Services Costs						
28	Total Paid to Certified Family Homes	$ -	$ -	$ -	$ -	$ -	0.00%
29	Family Engagement & Support	-	-	-	-	-	0.00%
30	Other Direct Service Costs	-	-	-	-	-	0.00%
	Total Section 3: Services Costs	-	-	-	-	-	0.00%
	Total Costs (Sections 1, 2, and 3)	$ 1,207,010	$ 137,691	$ 1,069,319	$ 857,054	$ 212,265	100.00%

Note 1: Other Operational Costs consist of the following:

Clothing and youth allowance	$ 14,724
Furniture, fixtures and equipment	968
Computers and software	4,235
Housing food and meals	20,555
Housing supplies	3,689
Non-Housing supplies	1,170
Medicine and hygiene	604
Outings and youth activities	5,733
Youth gifts	1,332
	$ 53,010

ZOE INTERNATIONAL AND AFFILIATES

State of California Foster Care Program Revenue Report

Year Ended December 31, 2024

Program Name: STRTP
Corporate Number: 14-1862549
Program Number: 2591.14.01

Revenue Groups:		
Section 1: Program Revenue		
Foster Care	$	576,016
Total Section 1: Direct Program Revenue		576,016
Section 2: Other Revenue		
Restricted donations		67,175
General donations		508,860
Donated stock		-
Donated goods		516
Grants		70,000
Total Section 2: Other Revenue		646,551
	$	1,222,567

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
ZOE International and Affiliates
Santa Clarita, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of ZOE International and Affiliates (Organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 27, 2025. Our report includes a reference to other auditors who audited the financial statements of ZOE Foundation Australia, as described in our report on the Organization's financial statements. The financial statements of ZOE Foundation Australia were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with ZOE Foundation Australia or that are reported on separately by those auditors who audited the financial statements of ZOE Foundation Australia.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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Board of Directors
ZOE International and Affiliates
Santa Clarita, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Capin Crouse LLC

Ontario, California
June 27, 2025