



FORWARD EDGE  
INTERNATIONAL

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Financial Statements  
For the Year Ended  
December 31, 2022

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**DOUGALL CONRADIE LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

Geoffrey Dougall, CPA  
Heather Jackson, CPA  
Lee Owen, CPA  
Richard Winkel, CPA  
Members of AICPA & OSCPA

Independent Auditor's Report

**To the Board of Directors**  
**Forward Edge International**  
Vancouver, Washington

**Opinion**

We have audited the accompanying financial statements of Forward Edge, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forward Edge, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Forward Edge, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Forward Edge, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Forward Edge, Inc.'s 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Forward Edge, Inc.'s 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.

## **Report on Summarized Comparative Information**

We have previously audited the Forward Edge International's 2021 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated May 16, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Dougall Conradi LLC*

April 19, 2023

Forward Edge International

STATEMENT OF FINANCIAL POSITION

December 31, 2022

(With Comparative Totals For December 31, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash And Cash Equivalents	\$ 1,400,333	\$ 1,057,793
Investments	114,336	137,870
Other Receivables	21,856	13,173
Prepaid Expenses And Other Assets	<u>19,112</u>	<u>41,596</u>
Total Current Assets	1,555,637	1,250,432
Long-Term Assets		
Fixed Assets, Net Of Depreciation	<u>682,567</u>	<u>699,895</u>
Total Assets	<u>\$ 2,238,204</u>	<u>\$ 1,950,327</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued Expenses	\$ 12,870	\$ 9,510
Accrued Payroll	5,862	6,950
Accrued Vacation	27,002	28,415
Accrued Expenses	93,318	1,996
Current Portion Of Debt	10,000	10,000
Deferred Team Fee Revenue	<u>18,555</u>	<u>22,245</u>
Total Current Liabilities	<u>167,607</u>	<u>79,116</u>
Long-Term Portion Of Debt	<u>66,000</u>	<u>76,000</u>
Total Liabilities	<u>233,607</u>	<u>155,116</u>
Net Assets		
Unrestricted		
Net Assets With Restrictions	246,091	327,226
Net Assets Without Restrictions	<u>1,758,506</u>	<u>1,467,985</u>
Total Net Assets	2,004,597	1,795,211
Total Liabilities And Net Assets	<u>\$ 2,238,204</u>	<u>\$ 1,950,327</u>

The accompanying notes are an integral part of these financial statements

Forward Edge International

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For The Year Ended December 31, 2022  
(With Comparative Totals For December 31, 2021)

	2022			2021 Total
	With Restrictions	Without Restrictions	Total	
Revenues:				
Donations & Grants	\$ 1,042,570	\$ 1,569,809	\$ 2,612,379	\$ 2,672,211
Trip Fees	230,000	-	230,000	60,249
Contributions Non-Cash	214,650	-	214,650	67,310
Other Income	792	-	792	5,665
Investment Income	(2,729)	-	(2,729)	286
Subtotal	1,485,283	1,569,809	3,055,092	2,805,721
Satisfaction Of Program Restrictions	1,650,944	(1,650,944)	-	-
Total Revenues	3,136,227	(81,135)	3,055,092	2,805,721
Expenses:				
Programs	2,350,515	-	2,350,515	1,964,970
Support Services				
Management & General	155,955	-	155,955	246,908
Fundraising	339,236	-	339,236	302,499
Total Support Services	495,191	-	495,191	549,407
Total Expenses	2,845,706	-	2,845,706	2,514,377
Change In Net Assets	290,521	(81,135)	209,386	291,344
Net Assets, Beginning Of Year	1,467,985	327,226	1,795,211	1,503,867
Net Assets, End Of Year	\$ 1,758,506	\$ 246,091	\$ 2,004,597	\$ 1,795,211

The accompanying notes are an integral part of these financial statements

Forward Edge International

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2022  
(With Comparative Totals For December 31, 2021)

	2022				2021 Total
	Program Services	Management And General	Fundraising	Total	
Salaried, Taxes & Benefits	\$ 449,055	\$ 98,505	\$ 242,637	\$ 790,197	\$ 771,764
Travel	6,795	527	225	7,547	535
Contracted Services	109,185	1,551	664	111,400	122,323
Occupancy	92,750	3,471	6,846	103,067	99,389
Office Supplies	15,980	513	1,242	17,735	13,304
Printing & Copying	3,308	473	945	4,726	8,188
Postage & Delivery	4,787	372	163	5,322	3,283
Insurance	5,731	443	192	6,366	6,206
Trip Expense	310,616	-	-	310,616	66,167
Donated Services	21,950	36,000	-	57,950	44,150
Education & Training	18,359	1,422	612	20,393	1,508
Promotion Expense	55,462	3,262	15,136	73,860	53,209
Depreciation Expense	17,100	168	60	17,328	21,708
Interest & Merchant Fees	25,851	3,911	1,194	30,956	33,359
Ministry Expense	1,198,004	-	-	1,198,004	1,148,623
Miscellaneous	4,354	5,337	126	9,817	9,012
Fundraising Events	11,228	-	69,194	80,422	111,649
	<u>\$ 2,350,515</u>	<u>\$ 155,955</u>	<u>\$ 339,236</u>	<u>\$ 2,845,706</u>	<u>\$ 2,514,377</u>

The accompanying notes are an integral part of these financial statements

Forward Edge International

STATEMENT OF CASH FLOWS

For The Year Ended December 31, 2022  
(With Comparative Totals For December 31, 2021)

	<u>2022</u>	<u>2021</u>
Increase (Decrease) In Cash And Cash Equivalents		
Change in Net Assets	\$ 209,386	\$ 291,344
Adjustments To Reconcile Change In Net Assets To Cash		
Provided By Operating Activities:		
Depreciation	17,328	21,708
Loss On Disposal Of Fixed Assets	-	105,753
Donation Of Investment	(31,317)	(60,143)
Investment Income / (Loss)	3,577	(152)
Change In Assets and Liabilities:		
Other Receivables	(8,683)	(13,115)
Prepaid Expenses	22,484	(17,695)
Accounts Payable	3,360	2,296
Accrued Payroll	(1,088)	3,189
Accrued Vacation	(1,413)	1,060
Accrued Expenses	91,322	1,996
Deferred revenue	<u>(3,690)</u>	<u>(4,988)</u>
Net Cash (Used In) Provided By Operating Activities	<u>301,266</u>	<u>331,253</u>
Cash Flows From Investing Activities:		
Proceeds From Sale Of Investments	<u>51,274</u>	<u>-</u>
Net Cash Provided By Investing Activities	<u>51,274</u>	<u>-</u>
Cash Flows From Financing Activities:		
Principal Payments On Land Note Payable	(10,000)	(7,000)
Principal Payments On Vehicle Note Payable	<u>-</u>	<u>(2,755)</u>
Net Cash Provided By Financing Activities	<u>(10,000)</u>	<u>(9,755)</u>
Net Change In Cash	342,540	321,498
Cash At Beginning Of Year	<u>1,057,793</u>	<u>736,295</u>
Cash At End Of Year	<u>\$ 1,400,333</u>	<u>\$ 1,057,793</u>
Supplemental Disclosures:		
Non-Cash Donation Of Investments	<u>\$ 31,317</u>	<u>\$ 60,143</u>
Non-Cash Purchase Of Land	<u>\$ -</u>	<u>\$ 93,000</u>
Interest Expense Paid	<u>\$ -</u>	<u>\$ 473</u>

The accompanying notes are an integral part of these financial statements



**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**1. Organization**

FORWARD EDGE INTERNATIONAL is a faith-based relief and development organization founded as a non-profit corporation in the state of Washington, and is dedicated to mobilizing volunteers to express the love of God through acts of service and mercy in the USA and around the world.

FORWARD EDGE INTERNATIONAL receives most of its funding from donations and trip fees paid by individuals to have their volunteer trips organized and facilitated.

**2. Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization 's management and the board of directors.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**2. Summary of Significant Accounting Policies, continued**

*Concentrations of Economic Risk* - Like most non-profit organizations, FORWARD EDGE INTERNATIONAL is dependent upon donations for much of its income, which can be affected by economic downturns.

FORWARD EDGE INTERNATIONAL also operates and coordinates relief efforts in various parts of the world, including certain key countries. If political unrest was to occur in any or all of these key countries FORWARD EDGE INTERNATIONAL'S ongoing operations could be severely impacted in those affected areas.

*Contributions* - Contributions are comprised of cash and non-cash contributions. All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Contributions and grants are recognized as temporarily restricted revenue if they are received with donor stipulations that limit the use of the donated assets. Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the pledge is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date of receipt.

*Non-Cash Contributions* - Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Volunteers pay for their own airfare to the destinations where they serve and their airfare costs are considered to be non-cash donations. All non-cash contributions of services and materials are recorded at their estimated fair values.

**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**2. Summary of Significant Accounting Policies, continued**

*Contributions of Long-Lived Assets* - Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings and equipment, or to rehabilitate existing properties, with specific donor-imposed stipulations concerning the use of such long-lived assets are reported as revenues of the temporarily restricted net asset class and are considered to be released when the funds are expended for the purposes given.

*Trip Fees* - Volunteers who participate in mission trips with FORWARD EDGE INTERNATIONAL pay the organization "trip fees" to cover their food, lodging, ground transportation, and some materials for their work projects while at their destinations. These are recorded as revenue when received.

*Cash Equivalents* - For purposes of the financial statements, FORWARD EDGE INTERNATIONAL considers all liquid investments having initial maturities of three months or less to be cash equivalents.

*Investments* - FORWARD EDGE INTERNATIONAL follows the guidance in Accounting Standards Codification (ASC) 820 and 958. Investments are reflected on the statement of financial position at fair value based on quoted market prices, with changes in unrealized gains and losses resulting from changes in fair value reflected in the statement of activities. Interest and dividend income is reported as earned.

*Concentrations of Credit Risk* - Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**2. Summary of Significant Accounting Policies, continued**

*Fixed Assets and Depreciation* - Assets over \$3,000 are capitalized and carried at cost, or at estimated market value if acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which are generally 3 to 5 years for equipment and furnishings and 40 years for buildings. All expenditures for repair and maintenance that do not appreciably extend the useful life or increase the value of the assets are expensed when incurred.

*Grants and Contributions* - Grants and contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

*Fundraising Expenses* - FORWARD EDGE INTERNATIONAL follows the guidance in ASC 958-720 related to accounting for costs of activities that include fundraising, issued by the American Institute of Certified Public Accountants. As a result, if a fundraising activity contains joint costs that might be allocated to programs or other activities, specific criteria regarding the audience and purpose of activity will be considered before costs will be allocated. If the criteria are not met, all costs are reported as fundraising expenses. During the year ended December 31, 2022 no joint costs were allocated to programs or other activities.

**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**2. Summary of Significant Accounting Policies, continued**

*Income Taxes* - FORWARD EDGE INTERNATIONAL is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

*Fair Value of Financial Instruments* - Due to the short-term nature of cash equivalents, prepaid expenses and other assets, and accounts payable, their fair value approximates carrying value.

*Use of Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Functional Expenses* - FORWARD EDGE INTERNATIONAL has an indirect cost allocation plan which is applied based on the analysis of direct program expenses and employee time charged to activities. The costs of providing various programs and other activities have been summarized on a functional expense basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that were allocated include the following:

Salaries and benefits	Time and effort
Occupancy	Square footage
Professional services	Time and effort
Office expenses	Time and effort
Insurance	Time and effort

**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**2. Summary of Significant Accounting Policies, continued**

*Summarized Financial Information for 2021* – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived. Certain 2021 amounts have been reclassified to conform to current year presentation.

**3. Availability and Liquidity**

FORWARD EDGE INTERNATIONAL manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. FORWARD EDGE INTERNATIONAL's cash needs are expected to be met on a monthly basis from regular revenue sources. In general, FORWARD EDGE INTERNATIONAL maintains sufficient financial assets on hand to meet normal operating expenditures and to reserve for future needs.

The following represents FORWARD EDGE INTERNATIONAL's financial assets at December 31, 2022:

Financial assets at year end:

Cash and cash equivalents	\$ 1,400,333
Receivables	21,856
Investments	<u>114,336</u>
Financial assets	1,536,525
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(246,091)</u>
Total financial assets available	<u>\$ 1,290,434</u>

**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**4. Cash and Cash Equivalents**

Cash and cash equivalents include accounts with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution and consist of the following as of December 31, 2022.

Cash in bank	\$ 1,400,233
Petty cash	<u>100</u>
	<u>\$ 1,400,333</u>

FORWARD EDGE INTERNATIONAL deposits its cash in financial institutions. At December 31, 2022 cash balances were not fully covered by FDIC insurance limits by \$421,767.

**5. Investments**

ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent resources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level I:           Observable inputs such as quoted prices in active markets for identical assets or liabilities.

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**5. Investments, continued**

Level II: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level III: Unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The following table sets forth carrying amounts and fair values for financial instruments at December 31, 2021:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Equities	\$ 114,336	\$ -	\$ -	\$ 114,336
Total investments	\$ <u>114,336</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>114,336</u>

FORWARD EDGE INTERNATIONAL had the following change in the investment balance during the year ended December 31, 2022:

Balance, December 31, 2021	\$ 137,870
Unrealized losses	<u>(3,577)</u>
Net investment income	<u>(3,577)</u>
Distributions	(51,274)
Stock donations	<u>31,317</u>
Balance, December 31, 2022	\$ <u>114,336</u>



**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

**6. Fixed Assets**

A summary of property and equipment at December 31, 2022 is as follows:

Land in Nicaragua	\$	278,550
Building in Nicaragua		606,252
Leasehold improvements		32,558
Office equipment and furnishings		34,586
Vehicles		20,000
		971,946
Accumulated depreciation		(289,379)
Net property and equipment	\$	682,567

Depreciation expense was \$17,328 for the year ended December 31, 2022.

**7. Note Payable**

FORWARD EDGE INTERNATIONAL financed a land purchase in Managua, Nicaragua on July 28, 2020 from 58:7 Ministries with annual payments of \$10,000 ending with a balloon payment in the final year of maturity in 2027 and a zero annual interest rate. The loan is secured by the land. The future minimum payment schedule of note principal subsequent to December 31, 2022 are as follows:

2023	\$	10,000
2024		10,000
2025		10,000
2026		10,000
2027		36,000
		76,000
	\$	76,000

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Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**8. Related Party Transactions**

FORWARD EDGE INTERNATIONAL leases office space from the organization's founder. The lease is renewable each year and cancellable at the option of either party. Total rent paid to the founder for the year ended December 31, 2022 was \$54,279.

**9. Net Assets**

At December 31, 2022 FORWARD EDGE INTERNATIONAL has \$246,091 in net assets that are restricted for future program expenses, these net assets will be released from restriction as the funds are spent in the future.

**10. Contributed Nonfinancial Assets**

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

		<b>2022</b>
Airfare paid by volunteers	\$	<u>152,400</u>
Professional services		57,950
Supplies and materials		<u>4,300</u>
Total non-cash contributions	\$	<u><u>214,650</u></u>

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

FORWARD EDGE INTERNATIONAL recognized contributed nonfinancial assets within revenue, including a contributed building, vehicles, household goods, food, medical supplies, pharmaceuticals, clothing, and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

It is FORWARD EDGE INTERNATIONAL's policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use in a specific program by the donor. No vehicles received during the period were restricted for use. All vehicles were sold

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**10. Contributed Nonfinancial Assets (Continued)**

and valued according to the actual cash proceeds on their disposition.

Contributed food was utilized in the following programs: natural disaster services, domestic community development, and services to community shelters.

Contributed household goods were used in domestic community development and services to community shelters. Contributed clothing was used in specific community shelters.

Contributed medical supplies were utilized in natural disaster services. In valuing household goods, food, clothing, and medical supplies, FORWARD EDGE INTERNATIONAL estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed pharmaceuticals were restricted by donors to use outside the United States and were utilized in international health services and natural disaster services. In valuing contributed pharmaceuticals otherwise legally permissible for sale in the United States, FORWARD EDGE INTERNATIONAL used the Federal Upper Limit based on the weighted average of the most recently reported monthly Average Manufacturer Prices (AMP) that approximate wholesale prices in the United States (that is, the principal market). In valuing pharmaceuticals not legally permissible for sale in the United States (and primarily consumed in developing markets), FORWARD EDGE INTERNATIONAL used third-party sources representing wholesale exit prices in the developing markets in which the products are approved for sale (that is, the principal markets).

Contributed services recognized comprise professional services from attorneys advising FORWARD EDGE INTERNATIONAL

on various administrative legal matters. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

**Forward Edge International**  
Notes to the Financial Statements  
For the Year Ended December 31, 2022

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**11. Subsequent Events**

FORWARD EDGE INTERNATIONAL has evaluated for subsequent events through April 19, 2023, which is the date the financial statements were available to be issued, noting at the end of March, 2023, the Nicaraguan government authorities froze the bank accounts of Villa Esperanza, Forward Edge's program for vulnerable children in Managua. Confiscation of the property, with its buildings and improvements are probable. This action is consistent with the Dictatorship's actions against many churches and faith-based organizations in the country, as they are viewed as threats to the new government's control.

Potential loss of Land, Buildings, & Improvements represent \$573,505 in Fixed Assets on the Balance Sheet (net of Depreciation).

Further unimproved Land is also at risk of loss for \$93,000. The status of the obligation represented by the outstanding contract balance of \$76,000 on the property is yet to be determined.