



FORWARD EDGE
INTERNATIONAL

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Financial Statements
For the Year Ended
December 31, 2023

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



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

Independent Auditor's Report

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

We have audited the accompanying financial statements of Forward Edge International, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forward Edge International as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Forward Edge International's 2022 financial statements, and we expressed an unqualified opinion on those financial statements in our report dated April 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dougall Conradi LLC

June 3, 2024

Forward Edge International

STATEMENT OF FINANCIAL POSITION

December 31, 2023

(With Comparative Totals For December 31, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash And Cash Equivalents	\$ 668,376	\$ 1,400,333
Investments	666,380	114,336
Other Receivables	37,431	21,856
Prepaid Expenses And Other Assets	<u>11,644</u>	<u>19,112</u>
Total Current Assets	1,383,831	1,555,637
Long-Term Assets		
Fixed Assets, Net Of Depreciation	<u>665,239</u>	<u>682,567</u>
Total Assets	<u>\$ 2,049,070</u>	<u>\$ 2,238,204</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 822	\$ 12,870
Accrued Payroll	6,548	5,862
Accrued Vacation	40,198	27,002
Accrued Expenses	702	93,318
Current Portion Of Debt	10,000	10,000
Deferred Team Fee Revenue	<u>14,751</u>	<u>18,555</u>
Total Current Liabilities	<u>73,021</u>	<u>167,607</u>
Long-Term Portion Of Debt	<u>56,000</u>	<u>66,000</u>
Total Liabilities	<u>129,021</u>	<u>233,607</u>
Net Assets		
Unrestricted		
Net Assets With Restrictions	243,155	246,091
Net Assets Without Restrictions	<u>1,676,894</u>	<u>1,758,506</u>
Total Net Assets	<u>1,920,049</u>	<u>2,004,597</u>
Total Liabilities And Net Assets	<u>\$ 2,049,070</u>	<u>\$ 2,238,204</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, 2023
(With Comparative Totals For December 31, 2022)

	2023			2022 Total
	With Restrictions	Without Restrictions	Total	
Revenues:				
Donations & Grants	\$ 1,237,563	\$ 1,376,499	\$ 2,614,062	\$ 2,612,379
Trip Fees	208,435	-	208,435	230,000
Contributions Non-Cash	275,300	-	275,300	214,650
Other Income	-	-	-	792
Investment Income	41,523	-	41,523	(2,729)
Subtotal	1,762,821	1,376,499	3,139,320	3,055,092
Satisfaction Of Program Restrictions	1,379,435	(1,379,435)	-	-
Total Revenues	3,142,256	(2,936)	3,139,320	3,055,092
Expenses:				
Programs	2,547,378	-	2,547,378	2,350,515
Support Services				
Management & General	213,402	-	213,402	155,955
Fundraising	463,088	-	463,088	339,236
Total Support Services	676,490	-	676,490	495,191
Total Expenses	3,223,868	-	3,223,868	2,845,706
Change In Net Assets	(81,612)	(2,936)	(84,548)	209,386
Net Assets, Beginning Of Year	1,758,506	246,091	2,004,597	1,795,211
Net Assets, End Of Year	\$ 1,676,894	\$ 243,155	\$ 1,920,049	\$ 2,004,597

The accompanying notes are an integral part of these financial statements

Forward Edge International

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2023
(With Comparative Totals For December 31, 2022)

	2023				2022 Total
	Program Services	Management And General	Fundraising	Total	
Salaried, Taxes & Benefits	\$ 524,898	\$ 133,198	\$ 278,919	\$ 937,015	\$ 790,197
Travel	8,517	467	201	9,185	7,547
Contracted Services	110,163	1,722	747	112,632	111,400
Occupancy	69,991	17,761	37,192	124,944	103,067
Office Supplies	51,639	1,803	3,930	57,372	17,735
Printing & Copying	-	-	-	-	4,726
Postage & Delivery	3,653	284	121	4,058	5,322
Insurance	5,910	456	197	6,563	6,366
Trip Expense	375,758	-	-	375,758	310,616
Donated Services	30,400	36,000	-	66,400	57,950
Education & Training	13,585	950	422	14,957	20,393
Promotion Expense	52,760	7,138	14,278	74,176	73,860
Depreciation Expense	17,100	168	60	17,328	17,328
Interest & Merchant Fees	32,695	5,300	1,420	39,415	30,956
Ministry Expense	1,234,585	-	-	1,234,585	1,198,004
Miscellaneous	699	8,155	23	8,877	9,817
Fundraising Events	15,025	-	125,578	140,603	80,422
	<u>\$ 2,547,378</u>	<u>\$ 213,402</u>	<u>\$ 463,088</u>	<u>\$3,223,868</u>	<u>\$2,845,706</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, 2023
(With Comparative Totals For December 31, 2022)

	<u>2023</u>	<u>2022</u>
Increase (Decrease) In Cash And Cash Equivalents		
Change in Net Assets	\$ (84,548)	\$ 209,386
Adjustments To Reconcile Change In Net Assets To Cash		
Provided By Operating Activities:		
Depreciation	17,328	17,328
Donation Of Investment	(86,234)	(31,317)
Investment Income / (Loss)	(41,523)	3,577
Change In Assets and Liabilities:		
Other Receivables	(15,575)	(8,683)
Prepaid Expenses	7,468	22,484
Accounts Payable	(12,048)	3,360
Accrued Payroll	686	(1,088)
Accrued Vacation	13,196	(1,413)
Accrued Expenses	(92,616)	91,322
Deferred revenue	<u>(3,804)</u>	<u>(3,690)</u>
Net Cash (Used In) Provided By Operating Activities	<u>(297,670)</u>	<u>301,266</u>
Cash Flows From Investing Activities:		
Purchases of Investments	(500,000)	-
Proceeds From Sale Of Investments	<u>75,713</u>	<u>51,274</u>
Net Cash (Used In) Provided By Investing Activities	<u>(424,287)</u>	<u>51,274</u>
Cash Flows From Financing Activities:		
Principal Payments On Land Note Payable	<u>(10,000)</u>	<u>(10,000)</u>
Net Cash (Used In) Provided By Financing Activities	<u>(10,000)</u>	<u>(10,000)</u>
Net Change In Cash	(731,957)	342,540
Cash At Beginning Of Year	<u>1,400,333</u>	<u>1,057,793</u>
Cash At End Of Year	<u>\$ 668,376</u>	<u>\$ 1,400,333</u>
Supplemental Disclosures:		
Non-Cash Donation Of Investments	<u>\$ 86,234</u>	<u>\$ 31,317</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, 2023

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, 2023

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, 2023

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. 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. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. 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, 2023

2. Summary of Significant Accounting Policies, continued

Fixed Assets and Depreciation - Purchases and repairs with a cost 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, 2023 no joint costs were allocated to programs or other activities.

Forward Edge International
Notes to the Financial Statements
For the Year Ended December 31, 2023

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, 2023

2. Summary of Significant Accounting Policies, continued

Summarized Financial Information for 2022 – 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, 2022, from which the summarized information was derived. Certain 2022 amounts have been reclassified to conform to current year presentation.

New Accounting Pronouncements – In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. The ASU is expected to impact the financial statements as the Organization has certain operating leases for which it is the lessee.

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.

Forward Edge International
Notes to the Financial Statements
For the Year Ended December 31, 2023

3. Availability and Liquidity, continued

The following represents FORWARD EDGE INTERNATIONAL's financial assets at December 31, 2023:

Financial assets at year end:

Cash and cash equivalents	\$ 668,376
Receivables	37,431
Investments	<u>666,380</u>
Financial assets	1,372,187
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(243,155)</u>
Total financial assets available	<u>\$ 1,129,032</u>

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, 2023.

Cash in bank	\$ 666,377
Petty cash	<u>1,999</u>
	<u>\$ 668,376</u>

FORWARD EDGE INTERNATIONAL deposits its cash in financial institutions. At December 31, 2023 there were no cash balances that were not fully covered by FDIC insurance limits.

Forward Edge International
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

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, 2023:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Equities	\$ <u>666,380</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>666,380</u>
Total investments	\$ <u>666,380</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>666,380</u>

Forward Edge International
Notes to the Financial Statements
For the Year Ended December 31, 2023

5. Investments, continued

FORWARD EDGE INTERNATIONAL had the following change in the investment balance during the year ended December 31, 2023:

Balance, December 31, 2022	\$ 114,336
Unrealized gains (losses)	<u>41,523</u>
Net investment income	<u>41,523</u>
Distributions	(75,713)
Purchases	500,000
Stock donations	<u>86,234</u>
Balance, December 31, 2023	<u>\$ 666,380</u>

6. Fixed Assets

A summary of property and equipment at December 31, 2023 is as follows:

Land in Nicaragua	\$ 278,550
Building in Nicaragua	606,252
Leasehold improvements	32,558
Office equipment and furnishings	34,586
Vehicles	<u>20,000</u>
	971,946
Accumulated depreciation	<u>(306,707)</u>
Net property and equipment	<u>\$ 665,239</u>

Depreciation expense was \$17,328 for the year ended December 31, 2023.

Forward Edge International
Notes to the Financial Statements
For the Year Ended December 31, 2023

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, 2023 are as follows:

2024	\$	10,000
2025		10,000
2026		10,000
2027		<u>36,000</u>
	\$	<u>66,000</u>

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, 2023 was \$54,264.

9. Net Assets

At December 31, 2023 FORWARD EDGE INTERNATIONAL has \$243,155 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 year ended December 31, 2023 contributed nonfinancial assets recognized within the statement of activities included:

Airfare paid by volunteers	\$	204,500
Professional services		66,400
Supplies and materials		<u>4,400</u>
Total non-cash contributions	\$	<u>275,300</u>

Forward Edge International
Notes to the Financial Statements
For the Year Ended December 31, 2023

10. Contributed Nonfinancial Assets, continued

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

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, 2023

11. Subsequent Events

FORWARD EDGE INTERNATIONAL has evaluated for subsequent events through June 3, 2024, which is the date the financial statements were available to be issued, noting at the end of March, 2024, the Nicaraguan government authorities still have frozen 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 possible. This action is consistent with the government's

actions against many churches and faith-based organizations in the country, as they are viewed as threats to the new government's control. However, the Nicaraguan government has extended a request to the Organization to file as a new NGO.

Potential loss of Land, Buildings, & Improvements represent \$558,349 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 \$66,000 on the property is yet to be determined.