

**FRIENDS OF FORGE  
FOUNDATION, CORP.**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2024

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PAUL A. GARCIA, CPA/CFF,CVA  
ERIC E. SANTA MARÍA, CPA/ABV/CFF, CAA  
PEDRO M. DE ARMAS, CPA  
ALEX M. TRUJILLO, CPA

PRINCIPAL  
ILIANA M. LARCADA, CFE  
MONIQUE BUSTAMANTE, CPA

## INDEPENDENT AUDITOR'S REPORT

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NATIONAL ASSOCIATION OF  
CERTIFIED VALUATION ANALYSTS  
COLLABORATIVE FAMILY  
LAW INSTITUTE

To the Board of Directors of  
Friends of Forge Foundation, Corp.  
Miami, Florida

### Opinion

We have audited the accompanying financial statements of Friends of Forge Foundation, Corp. (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation 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 the Foundation'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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, 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 of the Foundation'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 the Foundation'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.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 17, 2025

**FRIENDS OF FORGE FOUNDATION, CORP.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024**

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**ASSETS**

Cash and cash equivalents	<u>\$ 544,343</u>
TOTAL ASSETS	<u><u>\$ 544,343</u></u>

**NET ASSETS**

NET ASSETS	
Without donor restriction	155,168
With donor restriction	<u>389,175</u>
TOTAL NET ASSETS	<u><u>544,343</u></u>

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

**FRIENDS OF FORGE FOUNDATION, CORP.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 488,096	\$ 353,000	\$ 841,096
Net assets released from restrictions	176,028	(176,028)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>664,124</u>	<u>176,972</u>	<u>841,096</u>
<b>EXPENSES</b>			
Program services	678,060	-	678,060
Supporting services	8,423	-	8,423
<b>TOTAL EXPENSES</b>	<u>686,483</u>	<u>-</u>	<u>686,483</u>
<b>CHANGE IN NET ASSETS</b>	(22,359)	176,972	154,613
Net assets, beginning of year	177,527	212,203	389,730
Net assets, end of year	<u>\$ 155,168</u>	<u>\$ 389,175</u>	<u>\$ 544,343</u>

The accompanying notes are an integral part of these financial statements

**FRIENDS OF FORGE FOUNDATION, CORP.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	<u>Program Services</u>	<u>Supporting Services</u>	
	Programs	General and Administrative	Total
Grants and other assistance	\$ 678,060	\$ -	\$ 678,060
Professional services	-	4,800	4,800
Advertising and promotion	-	2,488	2,488
Bank fees	-	1,135	1,135
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u><u>\$ 678,060</u></u>	<u><u>\$ 8,423</u></u>	<u><u>\$ 686,483</u></u>

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

**FRIENDS OF FORGE FOUNDATION, CORP.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 154,613
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>154,613</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	154,613
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>389,730</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 544,343</u></u>

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

**FRIENDS OF FORGE FOUNDATION, CORP.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS**

**Nature of Activities**

The Friends of Forge Foundation, Corp. (the "Foundation") is a nonprofit organization established in 2018 and incorporated in Miami, Florida. The Foundation was established to strengthen ties between the Forge Foundation ("Forge") and the U.S. based public, formalizing the long-standing generosity of its donors. The Forge's mission is to help low-income Latin American youths have access to a quality life through job opportunities, ongoing learning, and social commitment. While the Foundation and Forge maintain legal independence, funding received by the Foundation is distributed to other Forge related entities across Central and South America. The entirety of the Foundation's support comes from individual and organization contributions.

**Basis of Accounting and Presentation**

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") promulgated by the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"). Consequently, the Foundation's resources are classified and reported in the accompanying financial statements as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restriction

Net assets without donor restriction include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. Management or the governing board has discretionary control to use these funds in carrying on the mission of the Foundation.

Net assets with donor restriction

Net assets with donor restriction represent net assets whose use by the Foundation has been limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. These include donor restrictions requiring that the net assets be held in perpetuity or for a specified term with the investment return available for operations.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets without donor restrictions.

**Cash and Cash Equivalents**

The Foundation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Foundation maintains its cash and cash equivalents with high credit quality financial institution, and at times, balances may exceed federally insured limits. Amounts exceeding federally insured limits at December 31, 2024 were approximately \$290,000. The Foundation has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Recent Accounting Pronouncements**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses ("Topic 326"). Topic 326 requires immediate recognition of estimated credit losses expected to occur over the remaining life of financial assets, which generally results in earlier recognition of allowances for credit losses. The Foundation implemented Topic 326 as of January 1, 2024. The adoption of Topic 326 did not have a material impact on the Foundation's financial statements.

**FRIENDS OF FORGE FOUNDATION, CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

**Revenue Recognition**

Contributions and donations

The Foundation's contributions consist primarily of voluntary donations from various organizations and individuals.

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend are met.

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received to the extent it is estimated to be collectible by the Foundation. Pledges received with donor restrictions that limit the use of the donated assets are reported as net assets with donor restrictions. FASB ASC 958-605 also requires pledges receivable due in excess of one year to be discounted to present value. For the year ended December 31, 2024, the Foundation did not receive any pledges.

Donated Goods and Services

The Foundation records the value of donated goods and services when there is an objective basis available to measure the value. Donated items are reflected as support in the accompanying financial statements at the fair market values at the date of receipt. However, for donated items that do not meet the criteria in FASB ASC 958-605 for recognition, the value is neither recorded nor recognized. For the year ended December 31, 2024, there were no donated goods and services.

**Income Taxes**

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Foundation other than a private foundation under Section 509(a)(2).

There are no reserves held for uncertain tax positions at December 31, 2024, respectively. Tax years that are open under the statute of limitations remain subject to examination by the IRS. The Foundation is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2021.

**Use of Estimates**

The preparation of 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.

**Subsequent Events**

The Foundation has evaluated subsequent events through September 17, 2025, which is the date the financial statements were available to be issued.

**FRIENDS OF FORGE FOUNDATION, CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**NOTE 2 – FUNCTIONAL ALLOCATION OF EXPENSES**

Expenses are allocated on a functional basis among the Foundation's programs and supporting services. Expenses that can be identified to a specific program or supporting service are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated on a consistent and rational basis using various methods.

**NOTE 3 – CONCENTRATION IN OPERATIONS**

The Foundation receives a substantial amount of its support and revenues from organizations and foundations. Significant contributions are defined as any contribution greater than 10% of the total support and revenues. For the year ended December 31, 2024, contributions from three sources represented approximately 84% of total contributions.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

As indicated in Note 1, the purpose of the Foundation is fundraising private contributions to support the Forge Foundation and its mission. As such, transactions took place between the two entities throughout the year.

The Foundation provided financial support to Forge and Forge related entities amounting to approximately \$678,000 for the year ended December 31, 2024, as reported in the Statement of Functional Expense under Grants and Other Assistance.

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restriction of \$389,175 are held in cash as of December 31, 2024 and are restricted by the donor by purpose or time.

**NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Foundation monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Foundation has the following financial assets that could readily be made available within one year of December 31, 2024 to fund expenses without limitations as follows:

Cash and cash equivalents	\$ 544,343
Less Cash with donor restrictions	<u>(389,175)</u>
Financial assets available to meet cash needs for operating expenses within one year	<u>\$ 155,168</u>