



KINGDOM BUILDING  
MINISTRIES, INC. d.b.a. FORGE

Financial Statements  
With Independent Auditors' Report

December 31, 2020 and 2019

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a. FORGE**

**Table of Contents**

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses–2020	5
Statement of Functional Expenses–2019	6
Statements of Cash Flows	7
Notes to Financial Statements	8

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Kingdom Building Ministries, Inc. d.b.a. Forge  
Aurora, Colorado

We have audited the accompanying financial statements of Kingdom Building Ministries, Inc. d.b.a. Forge, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 organization'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 organization'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.

Board of Directors  
Kingdom Building Ministries, Inc. d.b.a. Forge  
Aurora, Colorado

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kingdom Building Ministries, Inc. d.b.a. Forge as of December 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Centennial, Colorado  
February 25, 2021

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a. FORGE**

**Statements of Financial Position**

	December 31,	
	2020	2019
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 756,388	\$ 167,112
Receivables and other assets	51,977	25,934
	808,365	193,046
Property and equipment–net:		
Land	281,221	281,221
Buildings and improvements	2,030,029	2,030,029
Equipment and vehicles	217,372	221,378
Website development costs	12,541	12,541
	2,541,163	2,545,169
Less accumulated depreciation and amortization	(1,405,957)	(1,332,288)
	1,135,206	1,212,881
<b>Total Assets</b>	<b>\$ 1,943,571</b>	<b>\$ 1,405,927</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Current liabilities:		
Accounts payable and other liabilities	\$ 39,269	\$ 38,742
Current portion of note payable–net	41,449	39,734
	80,718	78,476
Note payable–net	450,006	490,263
	530,724	568,739
Net assets:		
Net assets without donor restrictions	1,251,499	791,650
Net assets with donor restrictions	161,348	45,538
	1,412,847	837,188
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,943,571</b>	<b>\$ 1,405,927</b>

See notes to financial statements

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a. FORGE**

**Statements of Activities**

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 713,799	\$ 844,742	\$ 1,558,541	\$ 626,129	\$ 1,042,002	\$ 1,668,131
Government grant revenue	-	211,300	211,300	-	-	-
Rental income	116,950	-	116,950	128,050	-	128,050
Speaking engagement income	44,393	-	44,393	128,598	-	128,598
Program and other income	22,536	-	22,536	113,686	-	113,686
<b>Total Support and Revenue</b>	<b>897,678</b>	<b>1,056,042</b>	<b>1,953,720</b>	<b>996,463</b>	<b>1,042,002</b>	<b>2,038,465</b>
<b>NET ASSETS RELEASED:</b>						
From purpose restrictions	940,232	(940,232)	-	1,025,660	(1,025,660)	-
<b>EXPENSES:</b>						
Program services:						
Itinerant speaking ministry	719,002	-	719,002	893,297	-	893,297
Training ministry	290,524	-	290,524	615,291	-	615,291
Resources ministry	177,740	-	177,740	268,587	-	268,587
	<u>1,187,266</u>	<u>-</u>	<u>1,187,266</u>	<u>1,777,175</u>	<u>-</u>	<u>1,777,175</u>
Supporting activities:						
General and administrative	137,872	-	137,872	117,258	-	117,258
Fundraising	52,923	-	52,923	73,426	-	73,426
	<u>190,795</u>	<u>-</u>	<u>190,795</u>	<u>190,684</u>	<u>-</u>	<u>190,684</u>
<b>Total Expenses</b>	<b>1,378,061</b>	<b>-</b>	<b>1,378,061</b>	<b>1,967,859</b>	<b>-</b>	<b>1,967,859</b>
Change in Net Assets	459,849	115,810	575,659	54,264	16,342	70,606
Net Assets, Beginning of Year	791,650	45,538	837,188	737,386	29,196	766,582
Net Assets, End of Year	<u>\$ 1,251,499</u>	<u>\$ 161,348</u>	<u>\$ 1,412,847</u>	<u>\$ 791,650</u>	<u>\$ 45,538</u>	<u>\$ 837,188</u>

See notes to financial statements

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a. FORGE**

**Statement of Functional Expenses**

Year Ended December 31, 2020

	Program Services:			Supporting Activities:		Total
	Itinerant Speaking Ministry	Training Ministry	Resources Ministry	General and Administrative	Fundraising	
Salaries and benefits	\$ 541,900	\$ 187,263	\$ 139,806	\$ 83,458	\$ 32,437	\$ 984,864
Communications and promotions	32,998	29,210	8,140	42	10,046	80,436
Depreciation and amortization	37,283	17,014	9,560	10,986	2,832	77,675
Office and professional services	24,365	16,841	7,584	26,379	1,393	76,562
Facilities and maintenance	30,514	14,201	7,823	8,991	2,317	63,846
Travel	33,112	17,402	-	2,468	2,468	55,450
Technology	9,439	4,307	2,420	2,781	717	19,664
Interest	9,391	4,286	2,407	2,767	713	19,564
	<u>\$ 719,002</u>	<u>\$ 290,524</u>	<u>\$ 177,740</u>	<u>\$ 137,872</u>	<u>\$ 52,923</u>	<u>\$ 1,378,061</u>
Percent of Total Expenses	<u>52%</u>	<u>21%</u>	<u>13%</u>	<u>10%</u>	<u>4%</u>	<u>100%</u>

See notes to financial statements

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a. FORGE**

**Statement of Functional Expenses**

Year Ended December 31, 2019

	Program Services:			Supporting Activities:		Total
	Itinerant Speaking Ministry	Training Ministry	Resources Ministry	General and Administrative	Fundraising	
Salaries and benefits	\$ 713,295	\$ 289,697	\$ 167,411	\$ 71,229	\$ 52,979	\$ 1,294,611
Communications and promotions	3,653	2,562	7,086	-	3,727	17,028
Depreciation and amortization	31,859	22,809	12,626	6,685	4,115	78,094
Office and professional services	32,108	53,396	61,868	26,091	3,343	176,806
Facilities and maintenance	32,365	24,422	12,826	6,792	4,180	80,585
Travel	62,934	210,174	-	2,876	2,876	278,860
Technology	8,302	5,944	3,290	1,742	1,072	20,350
Interest	8,781	6,287	3,480	1,843	1,134	21,525
	<u>\$ 893,297</u>	<u>\$ 615,291</u>	<u>\$ 268,587</u>	<u>\$ 117,258</u>	<u>\$ 73,426</u>	<u>\$ 1,967,859</u>
Percent of Total Expenses	<u>45%</u>	<u>31%</u>	<u>14%</u>	<u>5%</u>	<u>5%</u>	<u>100%</u>

See notes to financial statements



**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a. FORGE**

**Statements of Cash Flows**

	Year Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 575,659	\$ 70,606
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	77,675	78,094
Gain on sale of property and equipment	(3,500)	-
Forgiveness of Paycheck Protection Program loan	(211,300)	-
Changes in operating assets and liabilities:		
Receivables and other assets	(26,044)	35,474
Accounts payable and other liabilities	527	(8,294)
Net Cash Provided by Operating Activities	413,017	175,880
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property and equipment	3,500	-
Purchases of property and equipment	-	(7,896)
Net Cash Used by Investing Activities	3,500	(7,896)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on note payable	(38,541)	(37,866)
Proceeds from Paycheck Protection Program loan	211,300	-
Borrowings on line of credit	-	80,000
Payments on line of credit	-	(140,000)
Net Cash Provided (Used) by Financing Activities	172,759	(97,866)
Change in Cash and Cash Equivalents	589,276	70,118
Cash and Cash Equivalents, Beginning of Year	167,112	96,994
Cash and Cash Equivalents, End of Year	\$ 756,388	\$ 167,112
<b>SUPPLEMENTAL DISCLOSURE AND NON-CASH ITEM:</b>		
Cash paid for interest	\$ 18,378	\$ 20,339
Non-cash transaction to recognize loan forgiveness	\$ 211,300	\$ -

See notes to financial statements

# KINGDOM BUILDING MINISTRIES, INC.

## d.b.a FORGE

### Notes to Financial Statements

December 31, 2020 and 2019

#### 1. NATURE OF ORGANIZATION:

Kingdom Building Ministries, Inc. d.b.a. Forge (Forge) is a cross-denominational, parachurch organization, that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, Forge is subject to federal income tax on any unrelated business taxable income. In addition, Forge is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

Forge exists to expand God's Kingdom by challenging people to fully devote their lives to God and by equipping them to live lives of active ministry. Our name helps convey who we are and what we do. Our God is an all-consuming Fire, a Forge that is shaping people to have everyday impact for Christ. We challenge and equip people to pursue an intimate relationship with God where they are transformed into Kingdom-building laborers, like strong metal being forged by fire into beautiful vessels and valuable tools. To accomplish our mission, Forge speakers travel to various churches and events, and we offer in-depth equipping and coaching programs that prepare youth and adults for ministry wherever God has placed them.

In summary, two simple phrases encapsulate the ministry of Forge: Hearts on Fire through Intimacy with God and Lives on Purpose by Laboring for His Kingdom. Our desire at Forge is to challenge people of all ages, races, stations, and geographies to enter the Forge and become an active part of God's Kingdom work in their everyday places and spaces throughout the world. Primary ministry efforts include:

- Itinerant Speaking Ministry: During the years ended December 31, 2020 and 2019, Forge speakers had the privilege of challenging people at 84 and 144 separate events, respectively. Forge speakers challenge individuals to spiritual decisions including first-time commitments to Jesus Christ, recommitments to Christ, and commitments to spiritual multiplication in others. Forge had 14 and 17, itinerant speakers for the years ended December 31, 2020 and 2019, respectively, who partnered with local churches, denominations, universities, and ministry organizations to challenge people to become laborers. To develop future speakers in the Itinerant Speaking Ministry, Forge has launched the Firebrand program to equip future speakers to grow into the calling upon their lives. Forge had 12 and 9, Firebrand speakers during the years ended December 31, 2020 and 2019, respectively.
- Training ministry:
  - The Experience: A young adult training program, formerly known (1992-2006) as "The Laborer's Institute," is an intensive discipleship training school that equips laborers to love God deeply, live a life of unique and distinct ministry, and leave an eternal spiritual legacy. This full-time, two month program for young adults ages 18-29, includes classroom teaching, an overseas missions trip, and stateside service projects.

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a FORGE**

**Notes to Financial Statements**

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION, continued:

Primary ministry efforts include, continued:

- Training ministry, continued:
  - Surge: A two and a half week, high-intensity, state-side training adventure that challenges students to love God more, love people better, and dig deep into discovering God's uniquely designed plan for their life. The program includes life-on-life coaching, skill development, and travel across the nation with ministry stops and service projects along the way.
  - Deep Camp: A multi-generational, 5-day discipleship training experience designed to take people deep in their walk with the Lord. The program includes sermons delivered by Forge's Itinerant Speaking team and is focused on equipping participants to live with hearts on fire and lives on purpose.
  - Other Equipping Programs: Forge also offers various shorter programs throughout the year, including Plan A Conferences, Forge Core, Forge Mobile-Equipping at a Distance, Life Planning, and Smoky Mountain Outreach Camp. These programs range from church events to hands-on mission's trips and are each uniquely designed to challenge and equip those from all walks and seasons of life.
- Resources Ministry: Forge strives to put the life-changing messages of its speakers into accessible resources (print, electronic, audio, and video) which can be passed person to person. Primary resources include website content, the Forge app, audio and video messages of Forge speakers, booklets, and full-length books such as "You Are God's Plan A" and "Forged by Fire," by ministry president, Dwight Robertson.

The funds to support these ministries are provided through the faithful, sacrificial gifts of Forge partners. Through the use of direct-mail fundraising, product sales, and one-on-one meetings, prospective donors are motivated to become partners and support the work of Forge. Contributions are Forge's primary source of support and revenue.

2. SIGNIFICANT ACCOUNTING POLICIES:

Forge maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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 the reported amounts and disclosures 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. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a FORGE**

**Notes to Financial Statements**

December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash held in checking and savings accounts. As of December 31, 2020 and 2019, Forge has cash and cash equivalents on deposit with financial institutions that exceed the federally insured limits by approximately \$398,000 and \$0, respectively. Forge has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**RECEIVABLES AND OTHER ASSETS**

Receivables and other assets consists of receivables, inventory, and prepaid expenses for mission trips. All receivables are expected to be collected within one year. Management considers all amounts to be fully collectible.

Inventory is valued at the lower of cost or net realizable value using the weighted average method which approximates the first-in, first-out method. Inventory consists of workbooks, books, and audio CD's and DVD's. Management has recorded a \$8,500 and \$8,000, reserve for obsolete inventory as of December 31, 2020 and 2019, respectively.

**PROPERTY AND EQUIPMENT**

Items capitalized as property and equipment are recorded at cost. Donated items are recorded at fair market value on the date of the gift. Forge capitalizes fixed asset purchases exceeding \$2,000, with lesser amounts expensed in the year purchased. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which range from three to thirty years.

**CLASSES OF NET ASSETS**

The financial statements report amounts separately by class of net assets:

*Net assets without donor restrictions* are amounts that are available to support current operations, including those resources invested in property and equipment—net.

*Net assets with donor restrictions* are amounts which are stipulated by donors for the support of Forge's staff and specific projects.

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a FORGE**

**Notes to Financial Statements**

December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

**SUPPORT AND REVENUE**

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for a specific purpose are recorded as support in the net assets with donor restrictions class of net assets until funds have been expended by Forge for the purpose specified. Upon satisfaction of the restriction, 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 purpose restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Property and other non-cash gifts are recorded at their estimated fair market value on the date of donation.

Those contributions postmarked by December 31, 2020, are recorded as contributions and cash and cash equivalents, rather than promises to give.

During the year ended December 31, 2020, Forge received a Paycheck Protection Program loan of \$211,300 that was eligible for forgiveness based on Forge incurring various qualified expenses such as normal payroll costs and utilities. During the year ended December 31, 2020, Forge received forgiveness of this loan and it has been recorded as government grant revenue on the statements of activities.

Speaking engagement income is recorded as support and revenue when the engagement is held. Travel fees associated with itinerant engagements are billed to the host organization upon completion of the engagement. Rental, program, and other income is recorded when earned.

**FUNCTIONAL ALLOCATION OF EXPENSES**

Forge's functional expense allocation percentages are an estimate of the resources used by the ministry functions and focuses. Payroll-related accounts are allocated based on the current-year estimate of each staff person's focus. Each employee's time is estimated based on their unique role and tasks within Forge.

Facility-related accounts, including building maintenance, insurance, utilities, equipment, and office supplies, are allocated based on the activities the building, and its related expenses, supports. Since the way the staff spend their time reflects how the building is used, these allocations are derived by estimating how the Denver-based staff spend their time. These percentages are then used to allocate all facility-related accounts.

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a FORGE**

**Notes to Financial Statements**

December 31, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Forge adopted the provisions of this new standard during the year ended December 31, 2020. This new standard provides guidance on determining whether transactions should be accounted for as an exchange transaction or a contribution and whether a contribution should be recorded as conditional or unconditional. Adoption of this standard had no effect on change in net assets or net assets in total.

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606 of the FASB Accounting Standards Codification). Forge adopted the provisions of this new standard during the year ended December 31, 2020. The new standard applies to exchange transactions with customers (students) that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on change in net assets or net assets in total.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects Forge's financial assets reduced by amounts not available for general expenditure because of contractual or donor-imposed restrictions within one year of the statements of financial position date.

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 756,388	\$ 167,112
Receivables and other assets	51,977	25,934
Financial assets available to meet cash needs for general expenditures within one year	\$ 808,365	\$ 193,046

Forge has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Forge also has a secured \$150,000 line of credit, which it could draw upon in the event of an anticipated liquidity need. Management monitors cash flow closely through monthly board reporting and detailed financial analysis.

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a FORGE**

**Notes to Financial Statements**

December 31, 2020 and 2019

4. NOTE PAYABLE–NET:

Note payable–net consists of:

	December 31,	
	2020	2019
Note payable to a financial institution, which is secured by a deed of trust, with monthly payments of \$4,842. The payment includes principal and interest at a fixed rate of 3.5%. The mortgage matures in August 2023.	\$ 494,829	\$ 534,558
Less current portion–net	(41,449)	(39,734)
Less capitalized loan fees–net	(3,374)	(4,561)
	\$ 450,006	\$ 490,263

Capitalized loan fees are amortized over the life of the note payable using the straight-line method, which approximates the effective interest method. Accumulated amortization was \$4,745 and \$3,558, as of December 31, 2020 and 2019, respectively.

Future minimum principal payments for the note payable are:

Year Ending December 31,	
2021	\$ 41,449
2022	42,923
2023	410,457
	\$ 494,829

Forge was in compliance with all loan covenants as of December 31, 2020.

5. LINE OF CREDIT:

During the year ended December 31, 2020, Forge renewed a line of credit with a financial institution secured by property in the amount of \$150,000. This line of credit matures in April 2021. The interest rate is variable and determined by the financial institution. As of December 31, 2020, the rate was at 4%. There was no balance on the line of credit as of December 31, 2020 and 2019.

**KINGDOM BUILDING MINISTRIES, INC.**  
**d.b.a FORGE**

**Notes to Financial Statements**

December 31, 2020 and 2019

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2020	2019
Staff support	\$ 113,240	\$ 28,867
Projects and other	48,108	16,671
	<u>\$ 161,348</u>	<u>\$ 45,538</u>

7. DEFINED CONTRIBUTION PLAN:

Forge has a retirement plan under section 403(b) of the Code for its employees. This plan currently permits both employee and employer contributions. During the years ended December 31, 2020 and 2019, Forge did not make any employer contributions to this plan.

8. RELATED PARTY TRANSACTIONS:

Forge utilizes accounting services from a firm that is owned by the CFO of Forge. During the years ended December 31, 2020 and 2019, Forge paid the related party \$60,000 and \$30,000, respectively, for the accounting services. During the years ended December 31, 2020 and 2019, Forge was also donated \$0 and \$40,000, of accounting expenses by the same related party.

During the year ended December 31, 2020 and 2019, board members and key members of management contributed \$214,355 and \$95,243, respectively, to Forge.

9. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Forge for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

10 SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 25, 2021, which is the date the financial statements were available to be issued.