

**DRIVE OREGON**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2013**



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**Year Ended December 31, 2013**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9



**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Drive Oregon  
Portland, Oregon

We have audited the accompanying financial statements of Drive Oregon (a non-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

The Organization's 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 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 auditors' 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 Drive Oregon as of December 31, 2013, 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 Drive Oregon's December 31, 2012 financial statements, and our report dated July 2, 2013, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Kern & Thompson, LLC*

Portland, Oregon  
August 15, 2014

DRIVE OREGON

STATEMENT OF FINANCIAL POSITION

December 31, 2013

(With Comparative Totals as of December 31, 2012)

ASSETS

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 539,240	\$ 436,618
Grants receivable	61,609	3,759
Prepaid expense	<u>288</u>	<u>649</u>
<b>Total assets</b>	<b><u>\$ 601,137</u></b>	<b><u>\$ 441,026</u></b>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 19,154	\$ 1,512
Accrued compensation	<u>2,712</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>21,866</u></b>	<b><u>1,512</u></b>
<b>Net assets</b>		
Unrestricted		
Board-designated net assets	89,926	-
Available for operations	<u>464,565</u>	<u>439,514</u>
Total unrestricted net assets	554,491	439,514
Temporarily restricted	<u>24,780</u>	<u>-</u>
<b>Total net assets</b>	<b><u>579,271</u></b>	<b><u>439,514</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 601,137</u></b>	<b><u>\$ 441,026</u></b>

See notes to financial statements.

**DRIVE OREGON**

**STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2013**

(With Comparative Totals for the Year Ended December 31, 2012)

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2013</b>	<b>2012</b>
<b>Unrestricted revenues and other support</b>				
Business Oregon	\$ 657,000	\$ -	\$ 657,000	\$ 579,000
Foundation grants	-	40,000	40,000	-
Government contracts	61,324	34,000	95,324	-
Membership dues	18,225	-	18,225	11,250
In-kind donations	2,490	-	2,490	3,320
Program fees	7,850	-	7,850	-
Event income	19,369	-	19,369	-
Sponsorship	17,591	-	17,591	-
Other income	374	-	374	5,373
Interest income	423	-	423	713
	784,646	74,000	858,646	599,656
Net assets released from restriction	49,220	(49,220)	-	-
<b>Total revenues and other support</b>	<b>833,866</b>	<b>24,780</b>	<b>858,646</b>	<b>599,656</b>
<b>Expenses</b>				
Program services				
Grant programs and funding	223,290	-	223,290	201,642
Stakeholder collaboration	149,183	-	149,183	33,787
Build strong organization	134,137	-	134,137	60,693
Industry collaboration	112,594	-	112,594	110,216
Increase EV purchases	63,234	-	63,234	-
<b>Total program services</b>	<b>682,438</b>	<b>-</b>	<b>682,438</b>	<b>406,338</b>
Supporting services				
Management	33,772	-	33,772	25,487
Fundraising	2,679	-	2,679	3,513
<b>Total expenses</b>	<b>718,889</b>	<b>-</b>	<b>718,889</b>	<b>435,338</b>
<b>Change in net assets</b>	<b>114,977</b>	<b>24,780</b>	<b>139,757</b>	<b>164,318</b>
Net assets, beginning of year	439,514	-	439,514	275,196
<b>Net assets, end of year</b>	<b>\$ 554,491</b>	<b>\$ 24,780</b>	<b>\$ 579,271</b>	<b>\$ 439,514</b>

See notes to financial statements.

**DRIVE OREGON**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2013**

(With Comparative Totals for the Year Ended December 31, 2012)

	<b>PROGRAM SERVICES</b>						<b>SUPPORTING SERVICES</b>		<b>Total</b>	
	<b>Grant Programs and Funding</b>	<b>Stakeholder Collaboration</b>	<b>Build Strong Organization</b>	<b>Industry Collaboration</b>	<b>Increase EV Purchases</b>	<b>Total Program</b>	<b>Management</b>	<b>Fundraising</b>	<b>2013</b>	<b>2012</b>
	Salaries	\$ 8,034	\$ 37,675	\$ 29,829	\$ 37,062	\$ 20,393	\$ 132,993	\$ 26,823	\$ 1,919	\$ 161,735
Payroll taxes and benefits	1,263	5,896	4,694	5,846	3,219	20,918	4,537	301	25,756	16,312
Contract and professional services	6,200	18,210	82,793	1,540	2,835	111,578	25,522	-	137,100	73,388
Grants given	205,007	-	-	-	16,280	221,287	-	-	221,287	176,100
Occupancy and telecommunications	-	-	3,028	-	202	3,230	6,730	-	9,960	6,898
Supplies and materials	-	-	3,262	1,660	179	5,101	3,215	-	8,316	7,120
Travel and meals	847	50,161	487	20,211	4,067	75,773	4,394	-	80,167	9,639
Conferences and tradeshow	-	9,660	96	33,709	6,806	50,271	1,347	-	51,618	29,089
Insurance	-	15,125	-	-	-	15,125	2,769	-	17,894	2,030
Miscellaneous expense	-	1,600	42	1,284	180	3,106	1,950	-	5,056	2,611
Indirect expense	1,939	10,856	9,906	11,282	9,073	43,056	(43,515)	459	-	-
	<b>\$ 223,290</b>	<b>\$ 149,183</b>	<b>\$ 134,137</b>	<b>\$ 112,594</b>	<b>\$ 63,234</b>	<b>\$ 682,438</b>	<b>\$ 33,772</b>	<b>\$ 2,679</b>	<b>\$ 718,889</b>	<b>\$ 435,338</b>

See notes to financial statements.

DRIVE OREGON

STATEMENT OF CASH FLOWS

Year Ended December 31, 2013

(With Comparative Totals for the Year Ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 139,757	\$ 164,318
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Grants and contracts receivable	(57,850)	(1,759)
Prepaid expenses	361	597
Accounts payable	17,642	(2,861)
Accrued compensation	2,712	-
	<u>102,622</u>	<u>160,295</u>
<b>Net cash provided by (used in) operating activities</b>	<b>102,622</b>	<b>160,295</b>
<b>Change in cash and cash equivalents</b>	<b>102,622</b>	<b>160,295</b>
Cash and cash equivalents, beginning of year	<u>436,618</u>	<u>276,323</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ <u>539,240</u></b>	<b>\$ <u>436,618</u></b>

See notes to financial statements.

## DRIVE OREGON

### NOTES TO FINANCIAL STATEMENTS

December 31, 2013

#### NOTE A – DESCRIPTION OF ORGANIZATION

Drive Oregon (the Organization) is a nonprofit public-private partnership with diverse membership from across the range of companies and organizations involved in electrifying the transportation system. Drive Oregon is the epicenter for innovation in electric mobility, connecting leaders and entrepreneurs to advance the industry and strengthen our economy. Drive Oregon is funded in part with Oregon State Lottery Funds administered by Business Oregon. It is one of several Oregon Innovation Council initiatives supporting innovation and long term economic growth.

Drive Oregon's mission is to promote, support, and grow the electric vehicle industry in Oregon.

➤ **Grant Programs and Funding**

The Organization works to increase investment in Oregon's electric vehicle industry. For example, the Organization's Matching Grant Program has used approximately \$400,000 in funding from the State of Oregon to leverage nearly \$4 million in additional grants and investments. Drive Oregon's Marketing Grants help companies attend major trade shows and conferences. The Organization also operates a Grant Assistance Program to help companies apply for grant funds directly, and works to connect companies with private investors, customers, federal grants, and other sources of financial support.

➤ **Stakeholder Collaboration**

The Organization serves as a catalyst to align stakeholders in support of a shared vision and strategy for transportation electrification, and to develop high impact pilot projects that leverage Oregon's role as a "living laboratory." During 2013, for example, the Organization launched an innovative pilot project to test folding electric assist bicycles as a strategy for improving transit usage. The Organization supports a major annual electric vehicle conference that draws national attention to Oregon's work in this field.

➤ **Build Strong Organization**

The Organization mobilizes the diverse companies and organizations within the electric vehicle "ecosystem" to build strong support for transportation electrification. The Organization has developed online resources and tools for stakeholders, including a popular email newsletter providing updates about important electric vehicle developments, which has quickly grown to reach over 3,000 subscribers. The Organization has also developed a robust menu of services and benefits to attract and retain a rapidly growing base of members.

➤ **Industry Collaboration**

The Organization mobilizes the diverse companies within the electric vehicle industry supply chain to strengthen the industry as a whole. For example, the Organization hosts a popular series of monthly events exploring current topics in the field. The Organization also helps market Oregon's electric vehicle industry through participation in relevant trade shows and conferences, and by supporting companies' participation in such events.



## DRIVE OREGON

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2013

#### NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)

➤ **Increase EV Purchases**

The Organization also provides leadership to ensure Oregon remains a national leader in transportation electrification, which also drives increased purchases of electric vehicles and charging equipment. The Organization has signed a Memorandum of Understanding with Oregon's Governor and Department of Transportation, agreeing to convene and guide a coalition effort to maintain Oregon's leadership in transportation electrification. The Organization coordinates and supports work to encourage increased purchases of electric vehicles and charging infrastructure.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Presentation**

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** – Net assets not subject to donor-imposed stipulations.
- **Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.
- **Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

##### **Cash and Cash Equivalents**

The Organization classifies as cash and cash equivalents all checking, savings, money market accounts and all investments maturing within ninety days from the date of purchase.

##### **Revenue Recognition**

All contributions and grants are considered available for the unrestricted general operations of the Organization unless specifically restricted by a donor. Revenues for services are recognized at the time the services are provided and the revenues are earned.

**DRIVE OREGON**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2013**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(6) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

The Organization's federal exempt organization information returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

**Allocation of Functional Expenses**

The cost of providing the various programs and other activities has been summarized in the Statement of Activities. Certain costs, including salaries and administrative operating expenses, have been allocated among the programs and supporting services benefited.

**NOTE C – SIGNIFICANT SOURCES OF REVENUE AND LIMITATIONS THEREON**

The majority of the Organization's revenue is derived from a single grant from the Oregon Business Development Department. The grant is subject to review by the contracting agency. Any expenditures or claims disallowed as a result of a review by the Oregon Business Development Department would become a liability of the Organization's general operating funds. In the opinion of management, any adjustment that might result from such review would not be material to the Organization's overall financial statements.

**NOTE D – CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. Cash maintained with financial institutions is insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC coverage are not insured.

**NOTE E – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets as of December 31, 2013 total \$24,780 and represent funding from a foundation restricted for purpose.

**DRIVE OREGON**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2013**

**NOTE F – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 15, 2014, which is the date the financial statements were available to be issued.