

FORTH AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

Year Ended December 31, 2023



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FORTH AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Forth and Affiliate
Portland, Oregon

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Forth and Affiliate (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Forth and Affiliate 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Forth and Affiliate 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 Consolidated 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 Forth and Affiliate'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 Consolidated 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 and *Government 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 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.

To the Board of Directors
Forth and Affiliate

In performing an audit in accordance with generally accepted auditing standards and *Government 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 of the Forth and Affiliate'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 Forth and Affiliate'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 Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024 on our consideration of the Forth and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Forth and Affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Forth and Affiliate's internal control over financial reporting and compliance.

To the Board of Directors
Forth and Affiliate

Report on Summarized Comparative Information

We have previously audited the Forth and Affiliate's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2024. 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.

Kern & Thompson, LLC

Portland, Oregon
September 23, 2024

FORTH AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023
(With Comparative Totals as of December 31, 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,122,851	\$ 1,890,063
Grants and contracts receivable, net (Note C)	1,304,558	4,580,345
Prepaid expense	351,253	61,852
Property and equipment, net (Note E)	580,255	163,583
Operating lease right-of-use (Note F)	<u>111,752</u>	<u>212,856</u>
Total assets	\$ <u>3,470,669</u>	\$ <u>6,908,699</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 713,329	\$ 198,272
Contract payable	-	3,576,262
Accrued compensation	280,861	260,443
Deferred revenue (Note G)	138,525	41,125
Refundable advances (Note G)	852,034	417,874
Notes payable (Note H)	528,595	511,215
Operating lease liabilities (Note F)	<u>109,335</u>	<u>216,523</u>
Total liabilities	<u>2,622,679</u>	<u>5,221,714</u>
Net assets		
Without donor restrictions	55,118	221,390
With donor restrictions (Note I)	<u>792,872</u>	<u>1,465,595</u>
Total net assets	<u>847,990</u>	<u>1,686,985</u>
Total liabilities and net assets	\$ <u>3,470,669</u>	\$ <u>6,908,699</u>

See notes to consolidated financial statements.

FORTH AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023	2022
Revenues and other support				
Foundation grants	\$ 994,437	\$ 1,309,489	\$ 2,303,926	\$ 2,107,800
Clean fuels program	129,631	226,349	355,980	25,951
Government contracts	3,314,256	4,995,118	8,309,374	5,805,674
Individual contributions	4,051	-	4,051	3,335
Membership contributions	261,506	-	261,506	264,683
Program fees	568,223	-	568,223	1,052,243
Conferences and events	447,531	-	447,531	355,747
Sponsorship	430,456	-	430,456	533,355
Other income	26,237	-	26,237	37,914
Interest income	11,814	-	11,814	5,828
	<u>6,188,142</u>	<u>6,530,956</u>	<u>12,719,098</u>	<u>10,192,530</u>
Net assets released from restriction	<u>6,866,340</u>	<u>(6,866,340)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>13,054,482</u>	<u>(335,384)</u>	<u>12,719,098</u>	<u>10,192,530</u>
Expenses				
Program services	11,391,134	-	11,391,134	8,905,165
Supporting services				
Management	973,639	-	973,639	658,791
Fundraising	769,251	-	769,251	386,083
Total expenses	<u>13,134,024</u>	<u>-</u>	<u>13,134,024</u>	<u>9,950,039</u>
Change in net assets before non- operating revenue (expenses)	<u>(79,542)</u>	<u>(335,384)</u>	<u>(414,926)</u>	<u>242,491</u>
Non-operating revenue (expense)				
(Gain) loss on disposal of fixed assets	(86,730)	-	(86,730)	13,217
Fiscal sponsorship exit	-	(337,339)	(337,339)	-
Total other revenue (expenses)	<u>(86,730)</u>	<u>(337,339)</u>	<u>(424,069)</u>	<u>13,217</u>
Change in net assets	<u>(166,272)</u>	<u>(672,723)</u>	<u>(838,995)</u>	<u>255,708</u>
Net assets, beginning of year	<u>221,390</u>	<u>1,465,595</u>	<u>1,686,985</u>	<u>1,431,277</u>
Net assets, end of year	<u>\$ 55,118</u>	<u>\$ 792,872</u>	<u>\$ 847,990</u>	<u>\$ 1,686,985</u>

See notes to consolidated financial statements.

FORTH AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	PROGRAM SERVICES						SUPPORTING SERVICES		Total	
	Increase Access to Emerging Modes	Increase Access to Cars	Increase Access to Charging	Strengthen Policy Capacity	Elevate Partnerships Profile & Revenue	Total Program	Management	Fundraising	2023	2022
Personnel	\$ 460,419	\$ 907,052	\$ 737,919	\$ 603,438	\$ 505,746	\$ 3,214,574	\$ 737,796	\$ 539,223	\$ 4,491,593	\$ 3,508,051
Contract and professional services	989,772	1,205,280	128,215	604,924	169,210	3,097,401	132,284	160,465	3,390,150	1,370,100
WSDOT ZEVIP subcontracts	-	-	3,662,112	-	-	3,662,112	-	-	3,662,112	3,576,262
Occupancy and telecommunications	19,416	31,931	25,703	17,968	16,941	111,959	22,792	16,370	151,121	149,426
Supplies and materials	162,430	109,887	23,539	19,545	17,760	333,161	27,543	16,311	377,015	332,359
Travel and meetings	12,391	37,696	39,355	52,390	18,073	159,905	17,431	12,884	190,220	164,995
Event expense	8,248	33,405	53,637	16,451	504,631	616,372	9,867	8,718	634,957	507,893
Equipment rental and maintenance	818	19,360	29	20	19	20,246	26	18	20,290	123,725
Insurance	17,256	26,058	8,720	5,971	6,405	64,410	13,123	5,558	83,091	91,818
Depreciation	27,644	29,130	2,825	1,934	1,864	63,397	2,510	1,801	67,708	18,222
Miscellaneous expense	4,190	14,067	6,701	4,671	8,902	38,531	10,267	7,903	56,701	45,027
Bad debt expense	2,316	-	-	-	6,750	9,066	-	-	9,066	62,161
	\$ 1,704,900	\$ 2,413,866	\$ 4,688,755	\$ 1,327,312	\$ 1,256,301	\$ 11,391,134	\$ 973,639	\$ 769,251	\$ 13,134,024	\$ 9,950,039

See notes to consolidated financial statements.

FORTH AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

(With Comparative Totals for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (838,995)	\$ 255,708
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	67,708	18,222
Loss on disposition of fixed assets	86,730	(13,217)
Change in measurement of lease	(6,084)	3,667
Changes in assets and liabilities:		
Grants and contracts receivable	3,275,787	(4,046,543)
Prepaid expenses	(289,401)	5,876
Accounts payable	515,057	70,971
Contract payable	(3,576,262)	3,576,262
Accrued compensation	20,418	191,225
Deferred rent	-	(59,708)
Deferred revenue	97,400	(10,875)
Refundable advances	434,160	271,934
Net cash provided by (used in) operating activities	<u>(213,482)</u>	<u>263,522</u>
Cash flows from investing activities:		
Purchases of property and equipment	(571,110)	(36,599)
Net cash provided by (used in) investing activities	<u>(571,110)</u>	<u>(36,599)</u>
Cash flows from financing activities:		
Proceeds from notes payable	30,000	877
Repayment of notes payable	(12,620)	-
Net cash provided by (used in) financing activities	<u>17,380</u>	<u>877</u>
Change in cash and cash equivalents	(767,212)	227,800
Cash and cash equivalents, beginning of year	<u>1,890,063</u>	<u>1,662,263</u>
Cash and cash equivalents, end of year	<u>\$ 1,122,851</u>	<u>\$ 1,890,063</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 13,900</u>	<u>14,136</u>

See notes to consolidated financial statements.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

NOTE A – DESCRIPTION OF ORGANIZATION

Forth is a nonprofit 501(c)(6) public-private partnership, affiliated with Forth Mobility Fund, a 501(c)(3) philanthropic organization. Forth and Forth Mobility Fund are dedicated to electrifying transportation by bringing people together to create solutions that reduce pollution and barriers to access.

Forth and Forth Mobility Fund (collectively, the Organization) conduct the following programs:

Increase Access to Cars – The Organization builds programs around drivers who have traditionally faced the most barriers to electric transportation. The Organization cultivates access and equitable adoption to EVs through awareness, community-based programs and by reducing financial barriers. During 2023, the Organization increased access to EVs, designed and implemented affordable EV carsharing programs, engaged in community-centered outreach and education and developed models and financial tools to reduce cost barriers for EV adoption.

Increase Access to Charging – Access to charging is a major barrier to electrification, especially for historically underserved communities. The Organization builds programs around drivers who have traditionally faced the most barriers to electrification, working to make it as easy to charge a car as it is to park. During 2023, the Organization worked on programs focused on increasing access to charging at the workplace, in multi-family dwellings, and worked to ensure public investments in charging were efficient, effective, and grounded in equity.

Increase Access to Emerging Modes – The Organization strives to stay at the forefront of clean, equitable transportation and is constantly seeking new opportunities to advance this work. During 2023, the Organization removed barriers to make electric micromobility accessible in historically underserved populations and promoted electrifying America's farms and school buses.

Strengthen Policy Capacity – The Organization builds influence and bridges between equity, environmental, and multimodal organizations to promote transportation electrification at the national, state, and local levels. The Organization works to build the foundation for public and private investment and to maximize the equitable impacts of those investments. During 2023, the Organization continued work on a collaborative initiative aimed at advancing racial and environmental justice through equitable electric mobility and advocated for additional funding to retain Oregon's EV rebate.

Elevate Partnerships Profile & Revenue – The Organization convenes diverse stakeholders who collaborate to advance equitable transportation systems, helping them find common ground and ways to work together. The Organization helps connect partner organizations, policymakers, and stakeholders to reach new markets and support sector growth to advance equitable electric transportation. During 2023, the Organization planned outstanding events that engaged key audiences, provided key networking opportunities, and sparked partnerships.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (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.

Basis of Consolidation

The consolidated financial statements include those of Forth and Forth Mobility Fund. Both organizations are under common control since board members of Forth comprise a majority of the Board of Forth Mobility Fund. In accordance with generally accepted accounting principles, consolidation is required. All material inter-organizational transactions have been eliminated.

Contributions

All contributions are considered available for Forth's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Revenue Recognition

With regard to revenues from all sources, the Organization evaluates whether each transfer of assets is (1) an exchange reciprocal transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the Organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service. Conference and event revenue, and sponsorships are typically exchange transactions.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a release of a promisor's obligation to transfer assets. Most cost reimbursement and other grant revenue is typically recognized as non-reciprocal under accounting guidance.

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.

Income Taxes

Forth has been approved as a tax-exempt organization under the Internal Revenue Code 501(c)(6) and applicable state laws. Forth Mobility Fund is tax-exempt under the Internal Revenue Code 501(c)(3). Accordingly, no provision for income taxes is included in the accompanying financial statements. Neither organization believes it has unrelated trade or business income in excess of \$1,000.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the statement of activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	40 years
Furniture, fixtures, and equipment	5 to 7 years
Computer software	3 years
Vehicles	5 years
Tractors	10 years

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as fixed common area and other fixed maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its office buildings and vehicles. Non-lease components, which primarily include payments for maintenance and utilities, are excluded from lease payments in calculating the ROU balances.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis.

The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term.

The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, the Organization uses a risk free discount rate for the leased office space.

Lease expense is generally recognized on a straight-line basis over the lease term.

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.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

NOTE C – GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of cost reimbursement contracts and other agreements. Receivables represent amounts due from partner government agencies and other project funders. No provision for estimated uncollectible receivables has been made since management considers all receivables fully collectible. There were no material receivables older than 90 days at December 31, 2023. Receivables are uncollateralized and are as follows as of December 31, 2023:

Government contracts receivable	\$ 543,809
Other service contracts	<u>760,749</u>
	<u>\$ 1,304,558</u>

NOTE D – CONDITIONAL PROMISES TO GIVE

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and other grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions.

Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE D – CONDITIONAL PROMISES TO GIVE (CONTINUED)

As of December 31, 2023, the Organization has conditional grants as follows:

<u>Program</u>	<u>Amount Remaining</u>
Affordable Mobility Platform (AMP)	\$ 3,444,648
Electric Future for America's Rural Mobility Stakeholders (E-FARMS)	1,176,800
Community Car Share Project	93,041
Electric School Buses	155,090
Expanding Access to Charging at Home	1,925,348
Federal Funding Chicago & Midwest	144,484
National Policy	39,189
Leadership of Employers for Electrification (LEEP)	3,226,535
ODOT Charging Rebate	73,797
Oregon Clean Fuels	55,065
Pacific Power E-Mobility Grant (Mobile Showroom)	151,118
Pacific Power E-Mobility Grant (EV Carshare)	94,222
Pacific Northwest Affordable Mobility Platform	105,280
Portland Clean Energy Fund Green Energy Mobility	2,471,235
Portland E-Cargo Bike Educational Lot (PEBEL)	114,937
Reliable, Equitable, and Accessible Charging (REACH)	138,921
St. Louis Vehicle Electrification Ride for Seniors (SiLVERS)	34,368
Towards Equitable Electric Mobility (TEEM)	281,469
WA EV Incentives	62,231
WA Policy	36,069
Wasco County Charging Plan	75,764
WestSmart @Scale	72,313
WSDOT Zero-Emission Vehicle Infrastructure Partnerships (ZEVIP)	505,488
WSDOT Zero-Emissions Access Program (ZAP)	94,135
	<u>\$ 14,571,547</u>

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment are as follows as of December 31, 2023:

Electric vehicles	\$ 587,893
Equipment and furniture	71,138
	<u>659,031</u>
Less accumulated depreciation	<u>(78,776)</u>
	<u>\$ 580,255</u>

Depreciation and amortization expense for the year ended December 31, 2023 was \$67,708.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE F – OPERATING ROU LEASE ASSET AND LIABILITY

Operating Facilities Lease

The Organization has a lease for office space that expires in October 2024. This lease generally requires the Organization to pay all executory costs (property taxes, maintenance and insurance), and includes an escalating fee schedule, which is approximately a 7% percent increase each year.

Annual lease cost	\$ <u>134,728</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	\$ <u>129,051</u>
Weighted-average remaining lease term	10 months
Weighted-average discount rate	1.04%

Future minimum lease payments and reconciliation to the statement of financial position at December 31, 2023, are as follows:

<u>Year Ending December 31,</u>	<u>Operating Lease</u>
2024	\$ 109,857
Less present value discount	<u>(522)</u>
Lease liability	<u><u>\$ 109,335</u></u>

NOTE G – DEFERRED REVENUE AND REFUNDABLE ADVANCES

Membership dues revenue is recognized over the period of membership. Sponsorship revenue is recorded when the associated event occurs, which fulfills the sponsorship agreement. Advances on contracts occurs when a funder remits payment prior to performance of associated deliverables. Deferred membership revenue for the year ended December 31, 2023 was \$138,525.

Refundable advances consist primarily of conditional grant payments received prior to the incurrence of allowable grant expenditures and are refundable to the grantor if not used for grant purposes. For the year end ended December 31, 2023, the Organization had refundable advances totaling \$852,034.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE H – NOTES PAYABLE

In July 2021, Forth obtained a loan from the U.S. Small Business Administration in the amount of \$500,000, pursuant to the Economic Injury Disaster Loan program, which is designed to provide economic relief to nonprofit organizations and businesses that are currently experiencing a temporary loss of revenue due to COVID-19.

The note bears interest at 2.75% and required monthly payments of \$2,210 beginning in July of 2022, to be applied initially to accrued interest, and interest and principal thereafter. Final payment of interest and principal is due in June of 2050. The note is secured by all assets of the Organization. Interest expense accrued as of December 31, 2023 is \$24,475.

Forth has entered into a short term loan through Bonneville Environment Foundation for \$30,000. The note bears interest at 5% annually and is non-compounding. All principal and interest will due by December 31, 2024. The loan is collateralized by two electric vehicles.

Future minimum loan payments as of December 31, 2023 are as follows:

Year Ending December 31,	
2024	\$ 42,838
2025	13,333
2026	13,704
2027	14,086
2028	14,478
Thereafter	<u>430,156</u>
Total	<u>\$ 528,595</u>

NOTE I – RESTRICTIONS ON NET ASSETS

The Organization's net assets with donor restrictions are subject to the following purpose or timing restrictions as of December 31, 2023:

Equitable Electric Mobility	\$ 93,042
Cascadia Mobility	39,189
National Charging Support	144,484
Agricultural Electrification	20,800
Oregon/Washington Policy Work	281,469
Clean Fuels Program	149,049
Diversity, Equity, Inclusion	28,770
Yellow Cab & Electrify Ways to work	<u>36,069</u>
	<u>\$ 792,872</u>

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

NOTE J – 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). At December 31, 2023, the Organization held cash in excess of FDIC insurance of about \$600,000.

NOTE K – RETIREMENT PLAN

The Organization offers a tax-deferred 401(k) plan for all eligible employees. Forth provides a contribution of 3% of employee compensation after six months of employment. Employer contributions to the Plan for the year ended December 31, 2023 were \$93,245.

NOTE L – LIQUIDITY

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2023:

Financial assets at year-end	
Cash and cash equivalents	\$ 1,122,851
Grants and contracts receivable	<u>1,304,558</u>
Total financial assets	<u>2,427,409</u>
Less those unavailable for general expenditure	
within one year due to: Contractual or donor-	
imposed restrictions	<u>(792,872)</u>
Financial assets available to meet cash needs	
for general expenditures within one year	<u>\$ 1,634,537</u>

As part of its liquidity management, the Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition, the Organization invests cash in excess of current requirements in short-term investments.

NOTE M – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 23, 2024, which is the date the financial statements were available to be issued.

The Organization has a plan to dissolve Forth, a 501(c)(6) entity, and to transfer all debt to Forth Mobility Fund, the 501(c)(3) entity during 2024.

OTHER FINANCIAL INFORMATION

FORTH AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

	<u>Forth</u>	<u>Forth Mobility Fund</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and cash equivalents	\$ 112,767	\$ 1,010,084	\$ -	\$ 1,122,851
Grants and contracts receivable, net	1,366,921	526,166	(588,529)	1,304,558
Prepaid expense	351,253	-	-	351,253
Property and equipment, net	580,255	-	-	580,255
Operating lease right-of-use	111,752	-	-	111,752
Total assets	\$ 2,522,948	\$ 1,536,250	\$ (588,529)	\$ 3,470,669

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 967,200	\$ 334,658	\$ (588,529)	\$ 713,329
Accrued compensation	95,467	185,394	-	280,861
Deferred revenue	5,400	133,125	-	138,525
Refundable advances	832,034	20,000	-	852,034
Notes payable	528,595	-	-	528,595
Operating lease liability	109,335	-	-	109,335
Total liabilities	2,538,031	673,177	(588,529)	2,622,679
Net assets				
Without donor restrictions	(15,083)	70,201	-	55,118
With donor restrictions	-	792,872	-	792,872
Total net assets	(15,083)	863,073	-	847,990
Total liabilities and net assets	\$ 2,522,948	\$ 1,536,250	\$ (588,529)	\$ 3,470,669

The accompanying notes and independent auditor's report
should be read in conjunction with the supplemental schedule.

FORTH AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	<u>Forth</u>	<u>Forth Mobility Fund</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues and other support				
Foundation grants	\$ 214,676	\$ 2,089,250	\$ -	\$ 2,303,926
Clean fuels program	-	355,980	-	355,980
Government contracts	11,525,041	6,618,292	(9,833,959)	8,309,374
Individual contributions	30	4,021	-	4,051
Membership contributions	227,631	33,875	-	261,506
Program fees	405,481	162,742	-	568,223
Event income	447,531	-	-	447,531
Sponsorship	430,456	-	-	430,456
Other income	11,723	14,514	-	26,237
Interest income	1,359	10,455	-	11,814
Total revenues and other support	<u>13,263,928</u>	<u>9,289,129</u>	<u>(9,833,959)</u>	<u>12,719,098</u>
Expenses				
Program services	11,361,449	9,863,644	(9,833,959)	11,391,134
Supporting services				
Management	973,639	-	-	973,639
Fundraising	769,251	-	-	769,251
Total expenses	<u>13,104,339</u>	<u>9,863,644</u>	<u>(9,833,959)</u>	<u>13,134,024</u>
Change in net assets before non- operating revenue (expenses)	<u>159,589</u>	<u>(574,515)</u>	<u>-</u>	<u>(414,926)</u>
Non operating revenue (expenses)				
Loss on disposal of fixed assets	(86,730)	-	-	(86,730)
Fiscal sponsorship exit	-	(337,339)	-	(337,339)
Total other revenue (expenses)	<u>(86,730)</u>	<u>(337,339)</u>	<u>-</u>	<u>(424,069)</u>
Change in net assets	<u>72,859</u>	<u>(911,854)</u>	<u>-</u>	<u>(838,995)</u>
Net assets, beginning of year	(87,942)	1,774,927	-	1,686,985
Net assets (accumulated deficit), end of year	<u>\$ (15,083)</u>	<u>\$ 863,073</u>	<u>\$ -</u>	<u>\$ 847,990</u>

The accompanying notes and independent auditor's report
should be read in conjunction with the supplemental schedule.