

FORTH AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

Year Ended December 31, 2021



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FORTH AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2021

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-14
OTHER FINANCIAL INFORMATION	
Consolidating Statement of Financial Position	15
Consolidating Statement of Activities	16

INDEPENDENT AUDITORS' 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 (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, 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, 2021, 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 opinions.

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.

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.

To the Board of Directors
Forth and Affiliate

- 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 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 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.

Other Matters

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 of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities, and is not a required part of the 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 April 13, 2022 on our consideration of 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 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 Forth and Affiliate's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Forth and Affiliate's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon
April 13, 2022

FORTH AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021
(With Comparative Totals as of December 31, 2020)

ASSETS

	2021	2020
Cash and cash equivalents	\$ 1,662,263	\$ 1,881,025
Grants and contracts receivable, net (Note C)	533,802	204,439
Prepaid expense	67,728	34,172
Equipment, net (Note E)	131,989	53,953
Total assets	\$ 2,395,782	\$ 2,173,589

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 137,639	\$ 89,954
Accrued compensation	69,218	66,240
Deferred revenue and conditional grants (Note F)	197,940	95,000
Deferred rent (Note G)	59,708	76,088
Note payable (Note H)	500,000	150,000
Total liabilities	964,505	477,282
Net assets		
Without donor restrictions	421,559	588,727
With donor restrictions (Note I)	1,009,718	1,107,580
Total net assets	1,431,277	1,696,307
Total liabilities and net assets	\$ 2,395,782	\$ 2,173,589

See notes to consolidated financial statements.

FORTH AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
Revenues and other support				
Foundation grants	\$ 60,500	\$ 1,015,005	\$ 1,075,505	\$ 1,826,150
Clean fuels program	-	82,500	82,500	281,175
Government contracts	630,678	458,500	1,089,178	364,691
Paycheck Protection Program grant (Note L)	357,103	-	357,103	-
Membership contributions	214,132	-	214,132	209,696
Program fees	646,140	-	646,140	254,866
Event income	98,504	-	98,504	6,444
Sponsorship	319,581	-	319,581	231,407
Other income	2,459	-	2,459	17,048
Interest income	1,296	-	1,296	2,747
	<u>2,330,393</u>	<u>1,556,005</u>	<u>3,886,398</u>	<u>3,194,224</u>
Net assets released from restriction	<u>1,653,867</u>	<u>(1,653,867)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>3,984,260</u>	<u>(97,862)</u>	<u>3,886,398</u>	<u>3,194,224</u>
Expenses				
Program services	3,295,843	-	3,295,843	2,489,623
Supporting services				
Management	584,996	-	584,996	299,936
Fundraising	270,589	-	270,589	287,381
Total expenses	<u>4,151,428</u>	<u>-</u>	<u>4,151,428</u>	<u>3,076,940</u>
Change in net assets	<u>(167,168)</u>	<u>(97,862)</u>	<u>(265,030)</u>	<u>117,284</u>
Net assets, beginning of year	<u>588,727</u>	<u>1,107,580</u>	<u>1,696,307</u>	<u>1,579,023</u>
Net assets, end of year	<u>\$ 421,559</u>	<u>\$ 1,009,718</u>	<u>\$ 1,431,277</u>	<u>\$ 1,696,307</u>

See notes to consolidated financial statements.

FORTH AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	PROGRAM SERVICES					SUPPORTING SERVICES		Total	
	Accelerate Market Adoption	Strengthen the Industry Network	Demonstrate Smart Transportation	Advance Transportation Policy	Total Program	Manage- ment	Fund- raising	2021	2020
	Personnel	\$ 285,643	\$ 156,512	\$ 859,355	\$ 373,379	\$ 1,674,889	\$ 385,959	\$ 217,789	\$ 2,278,637
Contract and professional services	199,704	155,730	419,175	517,268	1,291,877	119,924	23,692	1,435,493	834,585
Occupancy and telecommunications	18,031	9,460	67,135	20,072	114,698	21,511	12,753	148,962	139,679
Supplies and materials	17,698	3,418	35,187	6,627	62,930	7,777	4,135	74,842	35,814
Travel and meetings	3,994	2,405	12,541	7,702	26,642	3,612	1,899	32,153	32,515
Event expense	2,004	8,861	4,218	4,234	19,317	22,215	1,830	43,362	22,489
Equipment rental and maintenance	2,563	532	32,032	1,128	36,255	1,209	717	38,181	10,357
Insurance	7,130	3,943	36,704	8,365	56,142	8,965	5,315	70,422	48,573
Depreciation	653	361	10,561	766	12,341	821	487	13,649	2,064
Miscellaneous expense	119	5	618	10	752	13,003	1,972	15,727	1,612
	<u>\$ 537,539</u>	<u>\$ 341,227</u>	<u>\$ 1,477,526</u>	<u>\$ 939,551</u>	<u>\$ 3,295,843</u>	<u>\$ 584,996</u>	<u>\$ 270,589</u>	<u>\$ 4,151,428</u>	<u>\$ 3,076,940</u>

See notes to consolidated financial statements.

FORTH AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ (265,030)	\$ 117,284
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	13,649	2,064
Changes in assets and liabilities:		
Grants and contracts receivable	(242,444)	(163,747)
Prepaid expenses	(33,556)	33,114
Accounts payable	(39,234)	72,142
Accrued compensation	2,978	28,980
Deferred rent	(16,380)	47,816
Deferred revenue and conditional grants	102,940	95,000
Net cash provided by (used in) operating activities	(477,077)	232,653
Cash flows from investing activities:		
Purchases of property and equipment	(91,685)	(51,200)
Net cash provided by (used in) investing activities	(91,685)	(51,200)
Cash flows from financing activities:		
Receipt of loan proceeds	350,000	150,000
Net cash provided by (used in) financing activities	350,000	150,000
Change in cash and cash equivalents	(218,762)	331,453
Cash and cash equivalents, beginning of year	1,881,025	1,549,572
Cash and cash equivalents, end of year	\$ 1,662,263	\$ 1,881,025

See notes to consolidated financial statements.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

NOTE A – DESCRIPTION OF ORGANIZATION

Forth is a nonprofit 501(c)(6) public-private partnership dedicated to accelerating the use of smart transportation to move people and goods in a more efficient and cleaner way. Forth has over 150 members from across the industry.

Forth is affiliated with Forth Mobility Fund, a 501(c)(3) philanthropic organization that supports research, public education, and other programming on how electric, shared and smart transportation choices can strengthen the economy.

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

Strengthen the Industry Network – Smart transportation is quickly bringing diverse stakeholders together in new ways. As existing models of transportation are disrupted, an increasing number of organizations are recognizing new opportunities. One of the Organization’s most important roles is to bring these diverse stakeholders together to share information, network, and collaborate while including communities that have traditionally been excluded from new technology. In 2021, the Organization hosted its large Roadmap Conference virtually for another year in a row and had over 100 speakers and 800 registrants in attendance. For the second year, it jointly organized the E-Mobility Equity Conference online and brought together over 1000 registrants from across the country. Staff also grew the network of Forth members to over 150 organizations, secured new program and funding partnerships, and hosted 18 webinars for over 3000 attendees from numerous countries around the world.

Demonstrate Smart Transportation – The Organization brings companies and communities together to test smart transportation technologies and business models. Its demonstration projects explore the benefits, practicality and viability of introducing these technologies in new areas. It prioritizes projects that are scalable, replicable, and center equity in their design and implementation. During 2021, the Organization worked on a diverse array of pilot projects that included providing access and safety education for shared e-micromobility such as bikes and scooters; developing models for electric car sharing in rural areas and low income communities; incubating a new nonprofit operating shared e-micromobility programs; helping gig and rideshare drivers access affordable electric vehicles; demonstrating the use case for electric tractors; and developing tools to promote vehicle charging innovations for multi-unit dwellings.

Accelerate Market Adoption – The Organization partners with a broad range of organizations to help increase awareness, improve access, and demonstrate the benefits of smart transportation for potential consumers, especially in traditionally underserved communities. During 2021, the Organization acted as the Backstop Aggregator under Oregon’s Clean Fuels Program, using revenue from these credits to accelerate transportation electrification; created a mobile showcase to increase knowledge of electric transportation options across Oregon; and prepared to launch a national workplace charging campaign that makes it easy and attractive for employers to provide electric vehicle charging.

FORTH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)

Advance Transportation Policy – Rapidly evolving smart transportation technologies and business models require new policies that effectively promote their adoption. The Organization focuses on practical policies that promote innovation, remove barriers to new technologies, grow the industry, and benefit traditionally underserved communities. During 2021, the Organization continued to advance smart policy and regulatory solutions. Forth focused on centering equity within our work to counteract systemic transportation disadvantages in historically underserved communities and communities of color. Specifically, Forth continued to build out the Clean and Just Transportation Network to include more than 50 diverse organizations in Oregon; assisted in the effort to design and promote Washington’s Clean Fuels Program; expanded a multi-state community of practice to include 21 environmental organizations and social justice organizations who work together to achieve shared equitable transportation electrification objectives; worked with diverse allies to strengthen our federal policy work; and led a multi-state program to ensure micromobility solutions can operate in states across the country.

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 the Mobility Fund. In accordance with generally accepted accounting principles, consolidation is required. All material inter-organizational transactions have been eliminated.

FORTH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenue streams applicable to the Organization that qualify as exchange transactions with "customers" (primarily service fees) are recognized at a single point upon receipt when all risks and rewards transfer. Amounts received from customers in advance, such as deposits for reserved future services and events, are recorded as deferred revenue until the Organization's performance obligations are satisfied.

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.

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

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.

FORTH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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
Tractors	10 years

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 financial statements for the year ended December 31, 2020, 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 are uncollateralized and are as follows as of December 31, 2021:

Government contracts receivable	\$ 199,483
Other service contracts	<u>356,319</u>
Less allowance for uncollectable	<u>(22,000)</u>
	<u>\$ 533,802</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, 2021

NOTE D – CONDITIONAL PROMISES TO GIVE (CONTINUED)

As of December 31, 2021, the Organization has conditional grants as follows:

Funder	Program	Amount Remaining
DOE	EV car sharing for social service agencies	\$ 386,242
DOE	Rural EV car sharing	101,945
Center for Sustainable Energy	Multi-unit dwellings and EV charging	129,633
Metro	Scooter workshops	6,955
City of Portland	Electric school bus resilience	26,061
Crook County	Electric tractor pilot	57,076
Sustainable Northwest	Electric tractor pilot	2,500
Utah State University	Regional EV adoption and infrastructure	147,528
New Buildings Institute	EVSE permitting and inspection	10,403
		<u>\$ 868,343</u>

NOTE E – PROPERTY AND EQUIPMENT

Electric vehicles	\$ 51,308
Electric tractors	101,900
	<u>153,208</u>
Less accumulated depreciation	<u>(21,219)</u>
	<u>\$ 131,989</u>

Depreciation and amortization expense for the year ended June 30, 2021 was \$13,649.

NOTE F – DEFERRED REVENUE AND CONDITIONAL GRANTS

Deferred revenue and conditional grants as of December 31, 2021 has been recorded for the following purposes:

Deferred membership revenue	\$ 67,000
Sponsorships	37,150
Advances on contract	93,790
	<u>\$ 197,940</u>

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.

NOTE G – DEFERRED RENT

Deferred rent revenue represents the unamortized portion of office rent deferred at the beginning of the lease agreement described in Note M.

FORTH AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

NOTE H – NOTE 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 requires 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, 2021 is \$10,338. All payments made during 2022 will be applied to deferred interest.

Future minimum loan payments as of December 31, 2021 are as follows:

Year Ending December 31,	
2022	\$ -
2023	1,405
2024	12,971
2025	13,333
2026	13,704
Thereafter	<u>458,587</u>
Total	<u>\$ 500,000</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, 2021:

Clean Fuels	\$ 82,500
Public Engagement	101,448
Renewables	466,557
E-Tractors	150,000
Equity Community of Practice	97,104
Electrification Rides for Seniors	<u>112,109</u>
Total net assets with donor restrictions	<u>\$ 1,009,718</u>

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, 2021, the Organization held cash totaling \$364,300 in excess of FDIC coverage.

FORTH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

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. Employer contributions to the Plan for the year ended December 31, 2021 were \$46,776.

NOTE L – PAYCHECK PROTECTION PROGRAM GRANT

In response to the global economic impact caused by the coronavirus pandemic, the US Small Business Administration (SBA) created the Paycheck Protection Program (PPP) “forgivable loan” to assist nonprofit organizations and for-profit enterprises with eligible payroll and certain specified operating costs. While originally structured as a loan, in substance these funds were a conditional grant under ASC 958-605. The Organization qualified for a \$357,103 disbursement and met all conditions of the program by December 31, 2021. The resulting grant has been recognized as revenue during 2021.

NOTE M – OPERATING LEASE COMMITMENTS

The Organization leases property and vehicles under non-cancelable operating leases, which expire in various years through 2024.

At December 31, 2021, minimum rental commitments are as follows:

Year ending December 31,	Office	Vehicles	Total
2022	\$ 107,906	\$ 17,715	\$ 125,621
2023	36,846	19,325	56,171
2024	-	19,462	19,462
2025	-	1,610	1,610
	<u>\$ 144,752</u>	<u>\$ 58,112</u>	<u>\$ 202,864</u>

NOTE N – LIQUIDITY

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31, 2021:

Financial assets at year-end	
Cash and cash equivalents	\$ 1,662,263
Grants and contracts receivable	533,802
Total financial assets	<u>2,196,065</u>
Less those unavailable for general expenditure within one year due to:	
Contractual or donor-imposed restrictions	<u>(1,009,718)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,186,347</u>

FORTH AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

December 31, 2021

NOTE N – LIQUIDITY (CONTINUED)

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 O – UNCERTAINTY

Due to the COVID-19 pandemic, the Organization made the decision in March 2020 to offer its programming virtually. As part of this transition, the Organization delivered industry webinars including virtual Roadmap panels; maintained a consumer engagement webinar series; hosted multiple e-scooter safety workshops virtually; and created instructional toolkits and digital marketing materials. The staff and Board of Directors are closely monitoring developments that may impact either revenue sources or the ability to deliver programming and will continue to make adjustments accordingly.

NOTE P – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 13, 2022, which is the date the financial statements were available to be issued.

OTHER FINANCIAL INFORMATION

FORTH AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS

	<u>Forth</u>	<u>Forth Mobility Fund</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash and cash equivalents	\$ 447,416	\$ 1,214,847	\$ -	\$ 1,662,263
Grants and contracts receivable	619,471	22,471	(108,140)	533,802
Prepaid expense	67,728	-	-	67,728
Equipment, net	131,989	-	-	131,989
Total assets	\$ <u>1,266,604</u>	\$ <u>1,237,318</u>	\$ <u>(108,140)</u>	\$ <u>2,395,782</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 137,639	\$ 108,140	\$ (108,140)	\$ 137,639
Accrued compensation	69,218	-	-	69,218
Deferred revenue and conditional grants	182,940	15,000	-	197,940
Deferred rent	59,708	-	-	59,708
Note payable	500,000	-	-	500,000
Total liabilities	<u>949,505</u>	<u>123,140</u>	<u>(108,140)</u>	<u>964,505</u>
Net assets				
Without donor restrictions	317,099	104,460	-	421,559
With donor restrictions	-	1,009,718	-	1,009,718
Total net assets	<u>317,099</u>	<u>1,114,178</u>	<u>-</u>	<u>1,431,277</u>
Total liabilities and net assets	\$ <u>1,266,604</u>	\$ <u>1,237,318</u>	\$ <u>(108,140)</u>	\$ <u>2,395,782</u>

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

FORTH AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

	<u>Forth</u>	<u>Forth Mobility Fund</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues and other support				
Foundation grants	\$ 1,496,860	\$ 1,075,505	\$ (1,496,860)	\$ 1,075,505
Clean fuels program	251,274	82,500	(251,274)	82,500
Government contracts	546,878	581,653	(39,353)	1,089,178
Paycheck Protection Program grant	357,103			357,103
Membership contributions	214,132	-	-	214,132
Program fees	589,918	126,459	(70,237)	646,140
Event income	98,504	-	-	98,504
Sponsorship	354,581	-	(35,000)	319,581
Other income	1,487	972	-	2,459
Interest income	559	737	-	1,296
Total revenues and other support	<u>3,911,296</u>	<u>1,867,826</u>	<u>(1,892,724)</u>	<u>3,886,398</u>
Expenses				
Program services	3,292,543	1,896,024	(1,892,724)	3,295,843
Supporting services				
Management	584,996	-	-	584,996
Fundraising	270,570	19	-	270,589
Total expenses	<u>4,148,109</u>	<u>1,896,043</u>	<u>(1,892,724)</u>	<u>4,151,428</u>
Change in net assets	(236,813)	(28,217)	-	(265,030)
Net assets, beginning of year	<u>553,912</u>	<u>1,142,395</u>	<u>-</u>	<u>1,696,307</u>
Net assets, end of year	<u>\$ 317,099</u>	<u>\$ 1,114,178</u>	<u>\$ -</u>	<u>\$ 1,431,277</u>

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