FORTH MOBILITY FUND AND AFFILIATE

AUDIT LETTERS

December 31, 2024

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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Governance Letter

To the Board of Directors
Forth Mobility Fund and Affiliate
Portland, Oregon

We have audited the consolidated financial statements of Forth Mobility Fund and Affiliate for the year ended December 31, 2024, and have issued our report thereon dated below. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter to you dated January 28, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Forth Mobility Fund and Affiliate are described in Note B to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2024. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The disclosure of the dissolution of Forth, with its net assets being acquired by Forth Mobility Fund, as described in Note C to the financial statements, concentrations and credit risk described in Note K, and the uncertainty described in Note N.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures and corrected by management are listed on the attached schedule.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Kern & Thompson, LLC | 1800 SW First Avenue, Suite 410 | Portland, Oregon 97201 | Phone: (503) 222-3338 | www.kern-thompson.com

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Forth Mobility Fund and Affiliate

Management Representations

We have requested certain representations from management that are included in the attached management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of those in charge of governance and management of Forth Mobility Fund and Affiliate and is not intended to be and should not be used by anyone other than these specified parties.

Kern & Thompson, LLC

Portland, Oregon
September 18, 2025

FORTH MOBILITY FUND AND AFFILIATE
Adjusting Journal Entries
December 31, 2024

Account	Description	Debit	Credit	Net Income Effect
KTAJE01				
To recognize year two of unconditional McKnight Foundation Grant				
1220	Grants Receivable	$ 200,000.00	$ -	
4100	Foundation Grants	-	200,000.00	
Total		**$ 200,000.00**	**$ 200,000.00**	**$ 200,000.00**
KTAJE02				
To recognize year two of unconditional Heising-Simmon Foundation Grant.				
1220	Grants Receivable	$ 200,000.00	$ -	
4100	Foundation Grants	-	200,000.00	
Total		**$ 200,000.00**	**$ 200,000.00**	**$ 200,000.00**
KTAJE03				
To recognize unconditional grants included in deferred revenue.				
2401	Deferred Revenues: Deferred Revenue	$ 95,661.90	$ -	
4100	Foundation Grants	-	95,661.90	
2401	Deferred Revenues: Deferred Revenue	226,872.59	-	
4300	Clean Fuels	-	226,872.59	
2401	Deferred Revenues: Deferred Revenue	119,758.94	-	
4300	Clean Fuels	-	119,758.94	
2401	Deferred Revenues: Deferred Revenue	150,000.00	-	
4100	Foundation Grants	-	150,000.00	
2401	Deferred Revenues: Deferred Revenue	200,000.00	-	
4100	Foundation Grants	-	200,000.00	
2401	Deferred Revenues: Deferred Revenue	2,721.16	-	
4100	Foundation Grants	-	2,721.16	
2401	Deferred Revenues: Deferred Revenue	25,000.00	-	
4100	Foundation Grants	-	25,000.00	
2401	Deferred Revenues: Deferred Revenue	25,000.00	-	
4100	Foundation Grants	-	25,000.00	
Total		**$ 845,014.59**	**$ 845,014.59**	**$ 845,014.59**
GRAND TOTAL		**$ 1,812,424.58**	**$ 1,812,424.58**	**$ 1,245,014.59**

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

Management Letter

To the Board of Directors
Forth Mobility Fund and Affiliate
Portland, Oregon

During our audit of Forth Mobility Fund and Affiliate for the year ended December 31, 2024, we noted certain matters of lesser severity involving internal control and other operational matters that are presented for your consideration. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies or improvements. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

Current Year Comments Involving Internal Control:

CD-1 Financial Reporting

During the audit we noted that Financial Reporting through the SF-425 to DOE was supported by a quarterly workbook. The workbook starts with the previous quarter's reported amount of federal expenditures and match and adds in the current quarter's amount of federal expenditures and match. Only the current quarter is supported by GL detail in the workbook, further the GL detail requires sorting to arrive at the federal and match portions as they are not recorded separately and are not readily identifiable in the GL report.

Recommendation

We recommend tracking federal expenditures and match separately in the GL in order to run one cumulative report that supports the amounts of federal expenditures and match being reported on the SF-425. Further, we recommend saving a static copy of the GL reports for the specific periods required that support the amounts being reported.

We appreciate the courtesy and cooperation provided by the employees of the Organization during the course of the audit. We will be happy to discuss the details of this report and assist in any way possible. This report is intended solely for the information and use of management, and is not intended to be and should not be used by anyone other than these specified parties.

Kern & Thompson, LLC

Portland, Oregon
September 18, 2025

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FORTH
Empowering Mobility

Management Representation Letter

Kern & Thompson, LLC
1800 S.W. First Avenue, Suite 410
Portland, OR 97201

This representation letter is provided in connection with your audit of the consolidated financial statements of Forth Mobility Fund and Affiliate, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date below, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 28, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.

9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.

10) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.

11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

12) As part of your audit, you assisted with the preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards.

Information Provided

13) We have provided you with—

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

14) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

15) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

16) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves—

    a) Management,

    b) Employees who have significant roles in internal control, or

    c) Others where the fraud could have a material effect on the financial statements.

17) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

18) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.

19) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.

20) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.

21) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

23) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

24) Forth Mobility Fund and Affiliate is an exempt organization under Section 501(c)(3) and 501(c)(6)of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

25) The final version of the document to be included in the annual report will be provided to you as soon as available, and prior to the issuance of the annual report.

26) With respect to federal award programs:

    a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including, when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

w) We have charged costs to federal awards in accordance with applicable cost principles.

x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

bb) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

27) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.

28) We have a process to track the status of audit findings and recommendations.

29) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

30) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

31) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

Forth Mobility Fund and Affiliate

By: ______________________ Date: 9/18/2025
Signature

Jeff Allen, Executive Director
Print Name and Title

By: ______________________ Date: 9/18/2025
Signature

Gina Avalos-Limardo, Director of Finance & Operations
Print Name and Title