

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Institute for Transportation and Development Policy
New York, New York

We have audited the accompanying financial statements of the Institute for Transportation and Development Policy (ITDP), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ITDP as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Friedman

November 30, 2020

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

ASSETS		<u>2019</u>	<u>2018</u>
CURRENT ASSETS			
Cash and cash equivalents		\$ 2,899,706	\$ 2,297,496
Accounts and grants receivable		1,419,011	1,541,685
Prepaid expenses		<u>137,782</u>	<u>172,130</u>
Total current assets		<u>4,456,499</u>	<u>4,011,311</u>
PROPERTY AND EQUIPMENT			
Equipment		41,962	67,405
Furniture		52,992	52,992
Computer equipment		339,053	344,345
Leasehold improvements		<u>386,174</u>	<u>386,174</u>
		820,181	850,916
Less: Accumulated depreciation and amortization		<u>(745,187)</u>	<u>(723,358)</u>
Net property and equipment		<u>74,994</u>	<u>127,558</u>
NON-CURRENT ASSETS			
Deposits		<u>91,204</u>	<u>99,238</u>
TOTAL ASSETS		<u>\$ 4,622,697</u>	<u>\$ 4,238,107</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 477,794	\$ 498,560
Accrued salaries and related benefits		220,570	190,096
Funds held on behalf of others		<u>74,739</u>	<u>74,739</u>
Total liabilities		<u>773,103</u>	<u>763,395</u>
NET ASSETS			
Without donor restrictions:			
Undesignated		-	267,433
Board designated		<u>526,499</u>	<u>785,063</u>
Total net assets without donor restrictions		526,499	1,052,496
With donor restrictions		<u>3,323,095</u>	<u>2,422,216</u>
Total net assets		<u>3,849,594</u>	<u>3,474,712</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 4,622,697</u>	<u>\$ 4,238,107</u>

See accompanying notes to financial statements.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions:			
Government and cost reimbursable grants and contracts	\$ 2,481,512	\$ -	\$ 2,481,512
Grants, contributions and sponsorships	564,397	5,492,018	6,056,415
Contributed services	20,323	-	20,323
Net assets released from donor restrictions	<u>4,591,139</u>	<u>(4,591,139)</u>	<u>-</u>
Total contributions	<u>7,657,371</u>	<u>900,879</u>	<u>8,558,250</u>
Consulting and contract revenue	837,866	-	837,866
Interest income	7,494	-	7,494
Event revenue	<u>33,725</u>	<u>-</u>	<u>33,725</u>
Total revenue and support	<u>8,536,456</u>	<u>900,879</u>	<u>9,437,335</u>
EXPENSES			
Program Services	<u>7,819,525</u>	<u>-</u>	<u>7,819,525</u>
Supporting Services:			
Fundraising	86,786	-	86,786
Management	<u>1,127,740</u>	<u>-</u>	<u>1,127,740</u>
Total supporting services	<u>1,214,526</u>	<u>-</u>	<u>1,214,526</u>
Total expenses	<u>9,034,051</u>	<u>-</u>	<u>9,034,051</u>
Changes in net assets from operations before other item	(497,595)	900,879	403,284
OTHER ITEM			
Exchange rate loss	<u>(28,402)</u>	<u>-</u>	<u>(28,402)</u>
Changes in net assets	(525,997)	900,879	374,882
Net assets at beginning of year	<u>1,052,496</u>	<u>2,422,216</u>	<u>3,474,712</u>
NET ASSETS AT END OF YEAR	<u>\$ 526,499</u>	<u>\$ 3,323,095</u>	<u>\$ 3,849,594</u>

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 2,654,881	\$ -	\$ 2,654,881
283,773	3,558,050	3,841,823
60,820	-	60,820
<u>3,031,754</u>	<u>(3,031,754)</u>	<u>-</u>
<u>6,031,228</u>	<u>526,296</u>	<u>6,557,524</u>
745,232	-	745,232
4,817	3,520	8,337
<u>6,000</u>	<u>-</u>	<u>6,000</u>
<u>6,787,277</u>	<u>529,816</u>	<u>7,317,093</u>
<u>7,353,848</u>	<u>-</u>	<u>7,353,848</u>
156,917	-	156,917
<u>1,078,895</u>	<u>-</u>	<u>1,078,895</u>
<u>1,235,812</u>	<u>-</u>	<u>1,235,812</u>
<u>8,589,660</u>	<u>-</u>	<u>8,589,660</u>
(1,802,383)	529,816	(1,272,567)
<u>(101,979)</u>	<u>-</u>	<u>(101,979)</u>
(1,904,362)	529,816	(1,374,546)
<u>2,956,858</u>	<u>1,892,400</u>	<u>4,849,258</u>
<u>\$ 1,052,496</u>	<u>\$ 2,422,216</u>	<u>\$ 3,474,712</u>

See accompanying notes to financial statements.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>Fundraising</u>	<u>Management</u>		
Salaries	\$ 1,761,495	\$ 62,202	\$ 523,306	\$ 585,508	\$ 2,347,003
Payroll taxes	132,315	4,403	39,204	43,607	175,922
Employee benefits	245,425	2,510	100,719	103,229	348,654
Subtotal	2,139,235	69,115	663,229	732,344	2,871,579
Bank charges	27,263	1,188	2,174	3,362	30,625
Conferences and meetings	194,571	243	33,395	33,638	228,209
Consultants	933,073	765	108,862	109,627	1,042,700
Depreciation and amortizatio	60,825	579	8,604	9,183	70,008
Equipment rental	7,495	10	571	581	8,076
Field staff	2,353,305	-	13,814	13,814	2,367,119
Insurance	38,890	280	4,470	4,750	43,640
Legal	8,349	-	33,216	33,216	41,565
License fees	87,114	1,487	12,517	14,004	101,118
Miscellaneous	9,859	868	8,977	9,845	19,704
Office supplies	92,499	1,433	6,925	8,358	100,857
Postage and delivery	10,631	1,323	504	1,827	12,458
Printing	35,529	881	1,022	1,903	37,432
Professional development	21,527	969	2,237	3,206	24,733
Professional fees	557,707	4,624	136,754	141,378	699,085
Rent and office cleaning	491,501	2,558	38,820	41,378	532,879
Taxes	54,098	-	-	-	54,098
Telephone and internet	30,483	68	1,821	1,889	32,372
Travel	665,571	395	49,828	50,223	715,794
TOTAL	<u>\$ 7,819,525</u>	<u>\$ 86,786</u>	<u>\$ 1,127,740</u>	<u>\$ 1,214,526</u>	<u>\$ 9,034,051</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>Fundraising</u>	<u>Management</u>		
Salaries	\$ 1,413,891	\$ 69,201	\$ 544,907	\$ 614,108	\$ 2,027,999
Payroll taxes	103,320	4,630	38,751	43,381	146,701
Employee benefits	245,451	13,927	79,383	93,310	338,761
Subtotal	1,762,662	87,758	663,041	750,799	2,513,461
Bank charges	30,421	977	724	1,701	32,122
Conferences and meetings	224,721	-	96,700	96,700	321,421
Consultants	1,143,693	-	91,325	91,325	1,235,018
Depreciation and amortizatio	97,600	-	-	-	97,600
Equipment rental	8,132	-	-	-	8,132
Field staff	2,240,738	-	8,332	8,332	2,249,070
Insurance	35,967	-	-	-	35,967
Legal	15,516	-	41,419	41,419	56,935
License fees	69,371	5,684	1,516	7,200	76,571
Miscellaneous	4,715	140	4,207	4,347	9,062
Office supplies	55,367	-	1,403	1,403	56,770
Postage and delivery	14,282	637	569	1,206	15,488
Printing	19,028	2,682	679	3,361	22,389
Professional development	3,196	500	2,847	3,347	6,543
Professional fees	416,259	57,507	105,785	163,292	579,551
Rent and office cleaning	503,461	-	250	250	503,711
Taxes	29,796	-	-	-	29,796
Telephone and internet	31,517	-	248	248	31,765
Travel	647,406	1,032	59,850	60,882	708,288
TOTAL	<u>\$ 7,353,848</u>	<u>\$ 156,917</u>	<u>\$ 1,078,895</u>	<u>\$ 1,235,812</u>	<u>\$ 8,589,660</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 374,882	\$ (1,374,546)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	70,008	97,600
Decrease (increase) in:		
Accounts and grants receivable	122,674	1,130,886
Prepaid expenses	34,348	(28,074)
Deposits	8,034	(16,853)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(20,766)	74,601
Accrued salaries and related benefits	30,474	(129,293)
Funds held on behalf of others	<u>-</u>	<u>(554)</u>
Net cash provided (used) by operating activities	<u>619,654</u>	<u>(246,233)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(17,444)</u>	<u>(118,282)</u>
Net cash used by investing activities	<u>(17,444)</u>	<u>(118,282)</u>
Net increase (decrease) in cash and cash equivalents	602,210	(364,515)
Cash and cash equivalents at beginning of year	<u>2,297,496</u>	<u>2,662,011</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,899,706</u>	<u>\$ 2,297,496</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Institute for Transportation and Development Policy (ITDP) was organized as a non-profit corporation in Washington, D.C. in 1985 and operates out of its office in New York City, New York. ITDP is a research, dissemination, and project implementing agency, which seeks to promote the use of non-motorized vehicles and the broader implementation of sustainable transportation policies worldwide. ITDP is supported primarily through grants, donor contributions, and contract revenue. Members include bicycle activists, transportation planners, economic development specialists, small business people, environmentalists, and other professionals, and are primarily, but not exclusively U.S. citizens.

The accompanying financial statements include all financial activity incurred by ITDP's regional offices located in Brazil, China, India, Indonesia, Kenya and Mexico.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncement adopted -

During 2019, ITDP adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. ITDP adopted the ASU using a modified prospective basis.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Cash and cash equivalents -

ITDP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, ITDP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

ITDP had \$523,577 and \$401,126 of cash and cash equivalents held in foreign countries at December 31, 2019 and 2018, respectively. A majority of funds held in foreign countries are uninsured.

Accounts and grants receivable -

Accounts and grants receivable are recorded at their net realizable value, which approximates fair value. Grants receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment -

Property and equipment in excess of \$2,500 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes -

ITDP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. Accordingly, no provision for income taxes has been made in the accompanying financial statements. ITDP is not a private foundation.

Uncertain tax positions -

For the years ended December 31, 2019 and 2018, ITDP has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Foreign currency translation -

The dollar ("Dollars") is the functional currency for ITDP's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in non-U.S. currencies are translated into dollars at the exchange rate in effect at the date of the Statements of Financial Position.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Government and cost reimburseable grants and contracts -

ITDP receives funding under grants and contracts from international organizations and other grantors for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are recognized as contributions when the revenue becomes unconditional. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent. As such, the ITDP recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants and contracts treated as conditional contributions, the ITDP had approximately \$5,641,022 in unrecognized conditional awards as of December 31, 2019, respectively.

Awards received under grants and contracts from the U.S. and foreign governments, international organizations and other sources for direct and indirect program costs (in which the claimed costs are deemed conditional until accepted by the donor) in advance of incurring the related expenses are recorded as refundable advances.

Consulting and contract revenue -

ITDP receives funding under contracts for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such contracts are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the agreements.

Grants, contributions and sponsorships -

Grants, contributions and sponsorships are recorded as revenue in the year notification is received from the donor. Grants, contributions and sponsorships with donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants, contributions and sponsorships received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

Contributed services -

Contributed services consist of pro-bono legal services, consulting, and licenses. Contributed services are recorded at their fair value as of the date of the gift (please refer to Note 5).

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of ITDP are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

New accounting pronouncements (not yet adopted) -

FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. During 2020, the FASB delayed the implementation date under ASU 2020-05 for an additional year. Organizations may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019 and for interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is still permitted.

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

ITDP plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption method and the impact of the new standards on its accompanying financial statements.

2. **LINE OF CREDIT**

ITDP maintains a \$500,000 bank line of credit, which expired on December 23, 2019. A new, \$950,000 line of credit was approved in June 2020. Amounts borrowed on the 2019 line of credit bore interest at the LIBOR rate, plus 7.5 percentage points. Amounts borrowed on the 2020 line of credit bear interest at the LIBOR rate, plus 5.7 percentage points. As of December 31, 2019 and 2018, there was no outstanding balance on the line of credit.

3. **BOARD DESIGNATED NET ASSETS**

As of December 31, 2019 and 2018, net assets have been designated by the Board of Directors for the following purposes:

	<u>2019</u>	<u>2018</u>
Operating Reserve	<u>\$ 526,499</u>	<u>\$ 785,063</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2019 and 2018:

	2019	2018
Africa projects	\$ 19,835	\$ 17,766
Asia projects	179,127	400,011
Global projects	2,268,192	1,603,323
Latin America projects	151,496	125,656
United States projects	704,445	275,460
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 3,323,095	\$ 2,422,216

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors:

	2019	2018
Africa projects	\$ 2,931	\$ 29,119
Asia projects	262,884	815,065
Global projects	3,188,332	935,474
Latin America projects	565,979	857,575
United States projects	571,013	394,521
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ 4,591,139	\$ 3,031,754

5. CONTRIBUTED SERVICES

During the years ended December 31, 2019 and 2018, ITDP was the beneficiary of contributed services, which allowed ITDP to provide greater resources toward various programs.

To properly reflect total expenses, the following donations have been included in revenue and expense for the years ended December 31, 2019 and 2018:

	2019	2018
Public relations	\$ 1,573	\$ 54,570
Other professional fees	18,750	6,250
TOTAL	\$ 20,323	\$ 60,820

The following programs have benefited from these contributed services:

	2019	2018
Fundraising	\$ 1,573	\$ 60,820
Program Services	18,750	-
TOTAL CONTRIBUTED SERVICES	\$ 20,323	\$ 60,820

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

6. LEASE COMMITMENTS

ITDP is obligated for certain lease payments over the coming years in the USA and its regional offices as shown below:

During 2015, ITDP extended its leased office space in New York under a five-year agreement, which expired on July 31, 2020 and was extended for another year. Base rent is \$180,000 per year, increasing by a factor of 3% per year. ITDP also leases office space under agreements in Washington, D.C., Boston, MA and Los Angeles, CA (month-to-month).

ITDP has entered into the following lease agreements at its regional offices:

- An office lease in Brazil through September 2021.
- An office lease in Mexico through February 2021.
- Two office leases in China: In Guangzhou through December 2022 and in Beijing through August 2021.
- Three office leases in India: In Pune through August 2023, in Chennai through August 2021 and in Ranchi until June 2020.
- An office lease in Indonesia through May 2021.

The following is a schedule of the future minimum lease payments, including both U.S. and foreign leases:

Year Ending December 31,

2020	\$ 345,494
2021	205,899
2022	37,479
2023	<u>4,775</u>
	<u>\$ 593,647</u>

Rent expense under the aforementioned leases totaled \$508,132 and \$457,834 for the years ended December 31, 2019 and 2018, respectively and is included in rent and office cleaning in the accompanying Statements of Functional Expenses.

7. RETIREMENT PLAN

Full-time ITDP staff are eligible for a 403(b)(7) retirement plan. ITDP will also make an annual contribution to the employee's retirement plan for employees who have worked more than six months with the organization at the time when the contributions are made. For the first three years, ITDP will provide an annual contribution of \$3,000 or the equivalent of 3% of the employee's annual salary (whichever is greater). After three years of employment, ITDP will provide an annual contribution of the equivalent of 8% of the employee's annual salary toward the retirement plan. Bonuses do not count toward the annual salary calculation for retirement purposes. The contributions are prorated for the first year of employment. Part time employees are not eligible for an employer contribution unless they work 1,000 hours or more during the 12 month consecutive period beginning on their date of hire. If they do meet these terms, part time employees are eligible for the same employer contribution as full time employees. ITDP reserves the right of not making an annual contribution if funding is not available.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

7. RETIREMENT PLAN (Continued)

Contributions to the Plan during the years ended December 31, 2019 and 2018 totaled \$128,372 and \$113,941, respectively.

8. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 2,899,706	\$ 2,297,496
Accounts and grants receivable	<u>1,419,011</u>	<u>1,541,685</u>
Subtotal financial assets available within one year	4,318,717	3,839,181
Less: Donor restricted funds	(3,323,095)	(2,422,216)
Less: Board designated funds	<u>(526,499)</u>	<u>(785,063)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 469,123</u>	<u>\$ 631,902</u>

ITDP has a policy to structure its financial assets to be available and liquid as its obligations become due. Board designated funds in the amount of \$526,499 and \$785,063, respectively could be released from designation if necessary. In addition, ITDP has a line of credit agreement (as further discussed in Note 2) which allows for additional available borrowings up to \$950,000.

9. SUBSEQUENT EVENTS

In preparing these financial statements, ITDP has evaluated events and transactions for potential recognition or disclosure through November 30, 2020, the date the financial statements were issued.

On April 29, 2020, ITDP entered into a two-year promissory note agreement in the amount of \$454,100 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact ITDP's operations. The overall potential impact is unknown at this time.