

## **FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

# 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

#### **Opinion**

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, 2021 and 2020, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ITDP as of December 31, 2021 and 2020, 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.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 ITDP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 ITDP'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 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 will always detect a material misstatement when it exists.

4550 MONTGOMERY AVENUE · SUITE 800 NORTH · BETHESDA, MARYLAND 20814  
(301) 951-9090 · WWW.GRF CPA.COM

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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, including omissions, 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, 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 ITDP'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 ITDP'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.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

November 22, 2022

## INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021 AND 2020

## ASSETS

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,854,740	\$ 3,113,379
Accounts and grants receivable	1,291,373	3,199,413
Prepaid expenses	<u>178,786</u>	<u>116,944</u>
Total current assets	<u>4,324,899</u>	<u>6,429,736</u>
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	31,273	36,602
Furniture	52,992	52,992
Computer equipment	299,100	313,922
Leasehold improvements	<u>404,809</u>	<u>386,174</u>
	788,174	789,690
Less: Accumulated depreciation and amortization	<u>(755,132)</u>	<u>(751,884)</u>
Net property and equipment	<u>33,042</u>	<u>37,806</u>
<b>NON-CURRENT ASSETS</b>		
Deposits	<u>72,729</u>	<u>78,319</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,430,670</u></b>	<b><u>\$ 6,545,861</u></b>

## LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 928,042	\$ 792,439
Deferred revenue	-	251,598
Accrued salaries and related benefits	268,894	118,682
Funds held on behalf of others	<u>799</u>	<u>1,967</u>
Total liabilities	<u>1,197,735</u>	<u>1,164,686</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	(510,737)	-
Board designated	-	67,548
With donor restrictions	<u>3,743,672</u>	<u>5,313,627</u>
Total net assets	<u>3,232,935</u>	<u>5,381,175</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 4,430,670</u></b>	<b><u>\$ 6,545,861</u></b>

## INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions:			
Government and cost reimbursable grants	\$ 4,380,379	\$ -	\$ 4,380,379
Grants, contributions and sponsorships	45,692	3,510,520	3,556,212
Net assets released from donor restrictions	<u>5,080,475</u>	<u>(5,080,475)</u>	<u>-</u>
Total contributions	<u>9,506,546</u>	<u>(1,569,955)</u>	<u>7,936,591</u>
Consulting and contract revenue	471,235	-	471,235
Interest income	4,455	-	4,455
Event and other revenue	<u>4,187</u>	<u>-</u>	<u>4,187</u>
Total revenue and support	<u>9,986,423</u>	<u>(1,569,955)</u>	<u>8,416,468</u>
<b>EXPENSES</b>			
Program Services	<u>8,693,242</u>	<u>-</u>	<u>8,693,242</u>
Supporting Services:			
Fundraising	79,461	-	79,461
Management	<u>1,382,194</u>	<u>-</u>	<u>1,382,194</u>
Total supporting services	<u>1,461,655</u>	<u>-</u>	<u>1,461,655</u>
Total expenses	<u>10,154,897</u>	<u>-</u>	<u>10,154,897</u>
Changes in net assets from operations before other items	<u>(168,474)</u>	<u>(1,569,955)</u>	<u>(1,738,429)</u>
<b>OTHER ITEMS</b>			
Exchange rate loss	(83,310)	-	(83,310)
Transfer of balances to UMTSPL and UWI	<u>(326,501)</u>	<u>-</u>	<u>(326,501)</u>
Total other items	<u>(409,811)</u>	<u>-</u>	<u>(409,811)</u>
Changes in net assets	(578,285)	(1,569,955)	(2,148,240)
Net assets at beginning of year	<u>67,548</u>	<u>5,313,627</u>	<u>5,381,175</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ (510,737)</u></b>	<b><u>\$ 3,743,672</u></b>	<b><u>\$ 3,232,935</u></b>

## INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions:			
Government and cost reimbursable grants	\$ 3,591,383	\$ -	\$ 3,591,383
Grants, contributions and sponsorships	210,574	6,472,890	6,683,464
In-kind	18,752	-	18,752
Net assets released from donor restrictions	<u>4,482,358</u>	<u>(4,482,358)</u>	<u>-</u>
Total contributions	<u>8,303,067</u>	<u>1,990,532</u>	<u>10,293,599</u>
Consulting and contract revenue	395,213	-	395,213
Investment income	4,760	-	4,760
Event and other revenue	<u>17,484</u>	<u>-</u>	<u>17,484</u>
Total revenue and support	<u>8,720,524</u>	<u>1,990,532</u>	<u>10,711,056</u>
<b>EXPENSES</b>			
Program Services	<u>7,723,394</u>	<u>-</u>	<u>7,723,394</u>
Supporting Services:			
Fundraising	104,837	-	104,837
Management	<u>1,315,117</u>	<u>-</u>	<u>1,315,117</u>
Total supporting services	<u>1,419,954</u>	<u>-</u>	<u>1,419,954</u>
Total expenses	<u>9,143,348</u>	<u>-</u>	<u>9,143,348</u>
Changes in net assets from operations before other item	(422,824)	1,990,532	1,567,708
<b>OTHER ITEM</b>			
Exchange rate loss	<u>(36,127)</u>	<u>-</u>	<u>(36,127)</u>
Changes in net assets	(458,951)	1,990,532	1,531,581
Net assets at beginning of year	<u>526,499</u>	<u>3,323,095</u>	<u>3,849,594</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 67,548</u></b>	<b><u>\$ 5,313,627</u></b>	<b><u>\$ 5,381,175</u></b>

## INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>Fundraising</u>	<u>Management</u>	<u>Total Supporting Services</u>	
Salaries	\$ 1,871,327	\$ 52,256	\$ 750,934	\$ 803,190	\$ 2,674,517
Payroll taxes	143,136	3,754	53,513	57,267	200,403
Employee benefits	288,001	4,649	153,634	158,283	446,284
Subtotal	2,302,464	60,659	958,081	1,018,740	3,321,204
Bank charges	32,442	1,084	5,787	6,871	39,313
Conferences and meetings	67,216	63	2,739	2,802	70,018
Consultants	2,027,554	918	120,030	120,948	2,148,502
Depreciation and amortization	21,540	197	3,369	3,566	25,106
Equipment rental	7,049	29	499	528	7,577
Field staff	2,485,456	-	(2,837)	(2,837)	2,482,619
Insurance	41,554	216	8,533	8,749	50,303
Legal	22,735	-	37,538	37,538	60,273
License fees and subscriptions	153,658	5,518	16,610	22,128	175,786
Miscellaneous	4,000	5	26,588	26,593	30,593
Office supplies	124,299	33	578	611	124,910
Postage and delivery	8,030	1,791	130	1,921	9,951
Printing	23,602	2,425	108	2,533	26,135
Professional development	10,599	5	79	84	10,683
Professional fees	693,895	4,506	167,728	172,234	866,129
Rent and office cleaning	394,265	2,004	34,274	36,278	430,543
Taxes	95,690	-	-	-	95,690
Telephone and internet	14,433	8	119	127	14,560
Travel	162,761	-	2,241	2,241	165,002
<b>TOTAL</b>	<b>\$ 8,693,242</b>	<b>\$ 79,461</b>	<b>\$ 1,382,194</b>	<b>\$ 1,461,655</b>	<b>\$ 10,154,897</b>

See accompanying notes to financial statements.



## INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Fundraising	Management		
Salaries	\$ 2,182,041	\$ 57,363	\$ 770,115	\$ 827,478	\$ 3,009,519
Payroll taxes	160,316	4,119	54,471	58,590	218,906
Employee benefits	283,025	2,590	143,076	145,666	428,691
Subtotal	2,625,382	64,072	967,662	1,031,734	3,657,116
Bank charges	17,689	1,383	4,532	5,915	23,604
Conferences and meetings	229,622	26	10,670	10,696	240,318
Consultants	1,273,618	1,322	32,067	33,389	1,307,007
Depreciation and amortization	33,823	471	5,893	6,364	40,187
Equipment rental	23,383	32	400	432	23,815
Regional office staff	2,156,044	-	42,914	42,914	2,198,958
Insurance	33,607	294	3,686	3,980	37,587
Legal	15,853	3	44,679	44,682	60,535
License fees and subscriptions	77,205	20,699	5,268	25,967	103,172
Miscellaneous	6,298	57	3,019	3,076	9,374
Office supplies	47,079	76	3,143	3,219	50,298
Postage and delivery	14,280	1,847	693	2,540	16,820
Printing	11,199	3,491	53	3,544	14,743
Professional development	6,081	94	9,936	10,030	16,111
Professional fees	504,776	6,873	141,355	148,228	653,004
Rent and office cleaning	428,375	2,682	33,570	36,252	464,627
Taxes	42,360	-	-	-	42,360
Telephone and internet	24,176	86	1,052	1,138	25,314
Travel	152,544	1,329	4,525	5,854	158,398
<b>TOTAL</b>	<b>\$ 7,723,394</b>	<b>\$ 104,837</b>	<b>\$ 1,315,117</b>	<b>\$ 1,419,954</b>	<b>\$ 9,143,348</b>

See accompanying notes to financial statements.

## INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (2,148,240)	\$ 1,531,581
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	25,106	40,187
Decrease (increase) in:		
Accounts and grants receivable	1,908,040	(1,780,402)
Prepaid expenses	(61,842)	20,838
Deposits	5,590	12,885
Increase (decrease) in:		
Accounts payable and accrued liabilities	135,603	314,645
Deferred revenue	(251,598)	251,598
Accrued salaries and related benefits	150,212	(101,888)
Funds held on behalf of others	<u>(1,168)</u>	<u>(72,772)</u>
Net cash (used) provided by operating activities	<u>(238,297)</u>	<u>216,672</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(20,342)</u>	<u>(2,999)</u>
Net cash used by investing activities	<u>(20,342)</u>	<u>(2,999)</u>
Net (decrease) increase in cash and cash equivalents	(258,639)	213,673
Cash and cash equivalents at beginning of year	<u>3,113,379</u>	<u>2,899,706</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 2,854,740</u></b>	<b><u>\$ 3,113,379</u></b>

# INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

### 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. Stakeholders 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.

#### 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 \$738,608 and \$937,047 of cash and cash equivalents held in foreign countries at December 31, 2021 and 2020, respectively. A majority of funds held in foreign countries are uninsured.

**INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

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

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, 2021 and 2020, 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.

Revenue recognition -

Contributions -

ITDP receives funding under grants and sponsorships from international organizations and other grantors for direct and indirect program costs. ITDP performs an analysis of the individual transaction to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

# INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Revenue recognition (continued) -

Contributions (continued) -

For items qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Grants and sponsorships qualifying as contributions that are unconditional and have 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. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants and sponsorships qualifying as conditional contributions contain a right of return from obligation provision that limits ITDP on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Many grant awards from the international organizations and other entities are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are therefore recognized as contributions when the revenue becomes unconditional. 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 treated as contributions, ITDP had approximately \$5,929,699 and \$7,241,250 in unrecognized conditional awards as of December 31, 2021 and 2020, respectively.

Contributed services -

Contributed services consist of public relations, professional services and other services. Contributed services are recorded at their fair value as of the date of the gift (please refer to Note 6).

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 follow ASU 2014-09, *Revenue from Contracts With Customers*, and are recorded as revenue at a point in time when the performance obligations are met. ITDP has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Revenue is recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the agreements.

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, 2021 AND 2020

### 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 -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosure of 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. FUNDING FROM THE PAYCHECK PROTECTION PROGRAM

On April 29, 2020, ITDP received loan proceeds in the amount of \$454,100 under the Paycheck Protection Program (PPP). Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note must be used for certain expenditures within a 24-week period to ultimately be forgiven by the Small Business Administration. During the year ended December 31, 2020, ITDP expended and tracked the PPP funds for purposes outlined in the CARES Act guidance and believes they met all conditions set forth for full forgiveness. Accordingly, under guidance found in FASB ASC 958-605, ITDP has recognized the PPP funding as a conditional grant by which all conditions have been met. ITDP received notification of full forgiveness by the SBA subsequent to year-end. Accordingly, \$454,100 of grant income from the Paycheck Protection Program is included in government grants on the accompanying Statement of Activities and Changes in Net Assets for the year ended December 31, 2020.

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**3. LINE OF CREDIT**

A \$950,000 line of credit was approved in June 2020 and was renewed on September 16, 2021. As of December 31, 2021 and 2020, there was no outstanding balance or borrowings on the line of credit. The interest rate on the line of credit was the LIBOR rate, plus 5.7 percentage points.

**4. BOARD DESIGNATED NET ASSETS**

As of December 31, 2021 and 2020, net assets have been designated by the Board of Directors for the following purposes:

	<u>2021</u>	<u>2020</u>
<b>Operating Reserve</b>	<b>\$ <u>-</u></b>	<b>\$ <u>67,548</u></b>

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Africa projects	\$ 77,095	\$ 193,578
Asia projects	55,629	267,911
Global projects	3,140,966	4,676,940
Latin America projects	118,762	33,073
United States projects	<u>351,220</u>	<u>142,125</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>\$ <u>3,743,672</u></b>	<b>\$ <u>5,313,627</u></b>

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:

	<u>2021</u>	<u>2020</u>
Purpose restrictions accomplished:		
Africa projects	\$ 121,483	\$ 32,483
Asia projects	242,282	271,934
Global projects	3,540,433	3,015,998
Latin America projects	385,373	349,622
United States projects	<u>790,904</u>	<u>812,321</u>
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ <u>5,080,475</u></b>	<b>\$ <u>4,482,358</u></b>

**6. CONTRIBUTED SERVICES**

During the years ended December 31, 2021 and 2020, ITDP was the beneficiary of contributed services, which allowed ITDP to provide greater resources toward various programs.

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**6. CONTRIBUTED SERVICES (Continued)**

To properly reflect total expenses, the following donations have been included in revenue and expense for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Public relations	\$ -	\$ 2
Other professional fees	<u>-</u>	<u>18,750</u>
<b>TOTAL</b>	<b><u>\$ -</u></b>	<b><u>\$ 18,752</u></b>

The following programs have benefited from these contributed services:

	<u>2021</u>	<u>2020</u>
Fundraising	\$ -	\$ 2
Program Services	<u>-</u>	<u>18,750</u>
<b>TOTAL CONTRIBUTED SERVICES</b>	<b><u>\$ -</u></b>	<b><u>\$ 18,752</u></b>

**7. 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, 2021 and was extended through December 2021, then through December 2031. ITDP also leases office space under agreements in Washington, D.C., and Boston, MA (month-to-month).

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

- An office lease in Brazil through September 2024.
- An office lease in Mexico through February 2023.
- Two office leases in China: In Guangzhou through December 2022 and in Beijing through August 2023.
- Two office leases in India: In Pune through July 2027, in Chennai through March 2021.
- An office lease in Indonesia through May 2024.
- A lease in Ethiopia through March 2023.

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

<u>Year Ending December 31,</u>	
2022	\$ 331,109
2023	260,664
2024	222,875
2025	212,471
2026	218,617
Thereafter	<u>1,158,434</u>
	<b><u>\$ 2,404,170</u></b>



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**7. LEASE COMMITMENTS (Continued)**

Rent expense under the aforementioned leases totaled \$416,406 and \$454,644 for the years ended December 31, 2021 and 2020, respectively, and is included in rent and office cleaning in the accompanying Statements of Functional Expenses.

**8. 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.

Contributions to the Plan during the years ended December 31, 2021 and 2020 totaled \$180,503 and \$176,742, respectively.

**9. LIQUIDITY AND AVAILABILITY**

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

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 2,854,740	\$ 3,113,379
Accounts and grants receivable	1,291,373	3,199,413
Subtotal financial assets available within one year	4,146,113	6,312,792
Less: Donor restricted funds	(3,743,672)	(5,313,627)
Less: Board designated funds	-	(67,548)
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 402,441</b>	<b>\$ 931,617</b>

ITDP has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, ITDP has a line of credit agreement (as further discussed in Note 3) which allows for additional available borrowings up to \$950,000.

**10. GOING CONCERN**

For the year ended December 31, 2021, ITDP experienced a loss, and had a deficit in net assets without donor restrictions of over \$515,000 as of December 31, 2021. The ability of ITDP to continue as a going concern is dependent on the success of an operation plan to raise funding during the coming fiscal year, as well as maintaining a continued effort to decrease budgeting expenditures.

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**11. INDIA NETWORK ENTITIES**

During the year ended December 31, 2021, India Network Entities of ITDP was comprised of:

- ITDP Private Limited registered as a company in India and a subsidiary of ITDP New York;
- Urban Mobility Transformation Services Private Limited (UMTSPL), a Network partner of ITDP; and
- Urban works Institute (UWI), registered as a Public Charitable Trust, a Network Partner of ITDP.

During the year, UMTSPL and UWI ceased to be Network Entities of ITDP US. The remaining balances related to these entities have been shown as a transfer to UMTSPL and UWI on the Statement of Activities and Changes in Net Assets for the year ended December 31, 2021.

**12. SUBSEQUENT EVENTS**

In preparing these financial statements, ITDP has evaluated events and transactions for potential recognition or disclosure through November 22, 2022, the date the financial statements were issued.