

FINANCIAL STATEMENTS



FOR THE YEAR ENDED DECEMBER 31, 2023

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the Institute for Transportation and Development (ITDP), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of ITDP as of December 31, 2023, and the change 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.

We did not audit the financial statements of ITDP's regional offices located in Brazil, China, India, Indonesia, Kenya and Mexico, which statements reflect approximately 14% of total assets, as of December 31, 2023, and approximately 13% of total support and revenue for the year then ended. The statements for regional offices located in Brazil, China, India, Kenya and Mexico were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The statement for the regional office located in Indonesia was prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Those statements were audited by other auditors, whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the regional offices, which conform all of those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for the regional offices prior to these conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinion

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

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that ITDP will continue as a going concern. As discussed in Note 7 to the financial statements, ITDP has a net deficiency in net assets without donor restrictions. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 7. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

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

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. 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.



November 11, 2024

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,313,441
Accounts receivable	259,307
Grants receivable	1,568,382
Prepaid expenses	<u>155,553</u>
Total current assets	<u>3,296,683</u>

PROPERTY AND EQUIPMENT

Equipment	31,273
Furniture	62,240
Computer equipment	324,880
Leasehold improvements	<u>571,228</u>
	989,621
Less: Accumulated depreciation and amortization	<u>(862,937)</u>
Net property and equipment	<u>126,684</u>

NON-CURRENT ASSETS

Right-of-use assets, net	1,745,132
Deposits	<u>138,183</u>
Total non-current assets	<u>1,883,315</u>

TOTAL ASSETS **\$ 5,306,682**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 765,739
Accrued salaries and related benefits	155,735
Refundable advance	636,476
Funds held on behalf of others	594
Operating lease liabilities	<u>282,325</u>
Total current liabilities	1,840,869

NONCURRENT LIABILITIES

Operating lease liabilities, net of current	<u>1,566,560</u>
Total liabilities	<u>3,407,429</u>

NET ASSETS

Without donor restrictions	(2,673,600)
With donor restrictions	<u>4,572,853</u>
Total net assets	<u>1,899,253</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 5,306,682**

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions:			
Government and cost reimbursable grants	\$ 3,529,979	\$ -	\$ 3,529,979
Grants, contributions and sponsorships	382,337	3,442,822	3,825,159
Net assets released from donor restrictions	<u>7,218,765</u>	<u>(7,218,765)</u>	<u>-</u>
Total contributions	11,131,081	(3,775,943)	7,355,138
Consulting and contract revenue	926,111	-	926,111
Interest income	13,897	-	13,897
Event and other revenue	<u>47,425</u>	<u>-</u>	<u>47,425</u>
Total support and revenue	<u>12,118,514</u>	<u>(3,775,943)</u>	<u>8,342,571</u>
EXPENSES			
Program Services	<u>11,479,931</u>	<u>-</u>	<u>11,479,931</u>
Supporting Services:			
Management	1,436,728	-	1,436,728
Fundraising	<u>97,437</u>	<u>-</u>	<u>97,437</u>
Total supporting services	<u>1,534,165</u>	<u>-</u>	<u>1,534,165</u>
Total expenses	<u>13,014,096</u>	<u>-</u>	<u>13,014,096</u>
Change in net assets before other item	(895,582)	(3,775,943)	(4,671,525)
OTHER ITEM			
Exchange rate loss	<u>(31,873)</u>	<u>-</u>	<u>(31,873)</u>
Change in net assets	(927,455)	(3,775,943)	(4,703,398)
Net assets at beginning of year, as restated	<u>(1,746,145)</u>	<u>8,348,796</u>	<u>6,602,651</u>
NET ASSETS AT END OF YEAR	<u>\$ (2,673,600)</u>	<u>\$ 4,572,853</u>	<u>\$ 1,899,253</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Supporting Services</u>			Total Supporting Services	Total Expenses
	Program Services	Management	Fundraising		
Salaries	\$ 1,529,894	\$ 578,831	\$ 40,505	\$ 619,336	\$ 2,149,230
Payroll taxes	145,218	56,784	4,081	60,865	206,083
Employee benefits	586,629	320,227	40,613	360,840	947,469
Subtotal	2,261,741	955,842	85,199	1,041,041	3,302,782
Bank charges	65,253	203	(2,088)	(1,885)	63,368
Conferences and meetings	250,144	47,762	-	47,762	297,906
Consultants	2,211,448	60,194	-	60,194	2,271,642
Depreciation and amortization	50,790	-	-	-	50,790
Equipment rental	6,068	-	-	-	6,068
Field staff	4,265,719	35,411	-	35,411	4,301,130
Insurance	49,784	15,204	-	15,204	64,988
Legal	25,503	44,996	-	44,996	70,499
License fees and subscriptions	156,490	17,328	6,435	23,763	180,253
Miscellaneous	4,779	29,729	-	29,729	34,508
Office supplies	98,573	1,526	216	1,742	100,315
Postage and delivery	5,845	392	3,374	3,766	9,611
Printing	42,587	121	-	121	42,708
Professional development	27,535	863	-	863	28,398
Professional fees	770,627	162,683	4,009	166,692	937,319
Leases and office cleaning	466,741	-	-	-	466,741
Taxes	39,889	-	292	292	40,181
Telephone and internet	20,324	165	-	165	20,489
Travel	660,091	64,309	-	64,309	724,400
TOTAL	\$ 11,479,931	\$ 1,436,728	\$ 97,437	\$ 1,534,165	\$ 13,014,096

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (4,703,398)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	50,790
Amortization of right-of-use asset	179,206
(Increase) decrease in:	
Accounts receivable	(76,132)
Grants receivable	2,716,551
Prepaid expenses	(9,870)
Deposits	(61,083)
(Decrease) increase in:	
Accounts payable and accrued liabilities	(212,195)
Accrued salaries and related benefits	(23,398)
Refundable advance	636,476
Operating lease liabilities	<u>(161,864)</u>
Net cash used by operating activities	<u>(1,664,917)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	<u>(13,461)</u>
Net cash used by investing activities	<u>(13,461)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from payments on line of credit	640,000
(Payments on) line of credit	<u>(640,000)</u>
Net cash used by financing activities	<u>-</u>

Net decrease in cash and cash equivalents (1,678,378)

Cash and cash equivalents at beginning of year 2,991,819

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,313,441

SCHEDULE OF NONCASH OPERATING TRANSACTIONS

Right-of-Use Assets	\$ <u><u>113,729</u></u>
Operating Lease Liabilities for Right-of-Use Assets	\$ <u><u>111,895</u></u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Institute for Transportation and Development (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 accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit 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". Net assets set aside 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** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by ITDP that are subject to the guidance in FASB ASC 326 include accounts receivable. ITDP implemented the ASU on January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

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.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Cash and cash equivalents (continued) -

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 \$712,537 of cash and cash equivalents held in foreign countries at December 31, 2023. A majority of funds held in foreign countries are uninsured.

Accounts and grants receivable -

Accounts receivable primarily consists of amounts due within one year related to consulting and contract revenue. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

Grants receivable include unconditional promises to give that are expected to be collected within one year. Grants receivable are recorded at their net realizable value which approximates fair value.

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 lesser of the useful life of the asset or the remaining term of the lease. The cost of maintenance and repairs are recorded as expenses as they are incurred. Depreciation and amortization expense for the year ended December 31, 2023 totaled \$50,790.

Income taxes -

ITDP is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. ITDP is not a private foundation.

Support and revenue recognition -

Support from contributions and grants -

Contributions are recognized in the appropriate category of net assets in the period received. ITDP performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Support and revenue recognition (continued) -

Support from contributions and grants (continued) -

Contributions, including grants qualifying as contributions, that are unconditional but 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.

Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. ITDP's refundable advances totaled \$636,476 as of December 31, 2023.

In addition, ITDP may obtain funding source agreements related to conditional contributions, which will be received in future years. ITDP's unrecognized conditional contributions to be received in future years totaled \$2,479,843 as of December 31, 2023.

Revenue from contracts with customers -

ITDP's consulting and contract revenue is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. ITDP has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. ITDP's contracts with customers generally have initial terms of one year or less.

Foreign currency translation -

The U.S. Dollar 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 currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the Statement of Financial Position.

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.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services that benefited.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

Functional allocation of expenses (continued) -

Expenses directly attributed to a specific functional area of ITDP are reported as direct expenses to the functional area and those expenses that benefit more than one function are allocated based on estimated time and effort.

Going concern -

ITDP has evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an ability to continue as a going concern within one year after the date the financial statements are issued. See Note 7 for the analysis of the principal conditions along with management's evaluation and future plans that will mitigate the conditions or events.

2. LINE OF CREDIT

ITDP has a line of credit for \$500,000 which expires on July 22, 2024. Draw downs on the line of credit bear interest based on the Secured Overnight Financing Rate (SOFR) plus 3.00 percentage points. There were draw downs and repayments totaling \$640,000 during the year ended December 31, 2023. Therefore, no outstanding balance was due on the line of credit as of December 31, 2023.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2023:

Subject to expenditure for specified purpose:

Africa projects	\$ 22,848
Asia projects	290,985
Global projects	3,884,323
Latin America projects	52,558
United States projects	231,524
India projects	<u>90,615</u>

NET ASSETS WITH DONOR RESTRICTIONS **\$ 4,572,853**

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2023:

Purpose restrictions accomplished:

Africa projects	\$ 143,718
Asia projects	168,663
Global projects	5,401,832
Latin America projects	592,554
United States projects	<u>911,998</u>

NET ASSETS RELEASED FROM DONOR RESTRICTIONS **\$ 7,218,765**

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

4. LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 1,313,441
Accounts receivable	259,307
Grants receivable	<u>1,568,382</u>
Subtotal financial assets available within one year	3,141,130
Less: Net assets with donor restrictions	<u>(4,572,853)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR
GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ (1,431,723)**

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 2) which allows for additional available borrowings up to \$500,000.

5. LEASE COMMITMENTS

ITDP is obligated for certain lease payments over the coming years in the USA and its regional offices.

ITDP's office lease in New York currently expires in December 2031. ITDP also leases office space under agreements in Washington, D.C., and Boston, Massachusetts (month-to-month).

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

- An office lease in Brazil through September 2024.
- An office lease in Mexico through February 2024.
- An office lease in China through August 2024.
- Two office leases in India: In June through July 2027, in Chennai through May 2023.
- An office lease in Indonesia through May 2024.
- An office lease in Kenya through September 2026.
- A lease in Tanzania through March 2023.
- A lease in Ethiopia through April 2023.
- A lease in China through August 2024.

During the year ended December 31, 2023, ITDP entered into two new leases in Washington, D.C. and China.

ITDP follows FASB ASC 842 for leases. ITDP has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. ITDP has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

5. LEASE COMMITMENTS (Continued)

As of December 31, 2023, the weighted-average remaining lease term and discount rate for the leases is 6.91 years and 2.47%, respectively.

Year Ending December 31,

2024	\$ 312,333
2025	265,179
2026	233,756
2027	222,655
2028	223,884
Thereafter	<u>712,761</u>
Subtotal	1,970,568
Less: Imputed interest	(121,683)
Less: Current portion	<u>(282,325)</u>
LONG-TERM PORTION	<u>\$ 1,566,560</u>

Lease expense for the year ended December 31, 2023 was \$408,827 and total cash paid was \$292,073 for all operating leases. The lease expense is included in rent and office cleaning in the accompanying Statement of Functional Expenses.

6. RETIREMENT PLAN

Full-time ITDP staff are eligible for a 403(b) retirement plan. ITDP will also make an annual contribution to the 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. ITDP reserves the right of not making an annual contribution if funding is not available.

Contributions to the Plan during the year ended December 31, 2023 totaled \$175,011.

7. GOING CONCERN

For the year ended December 31, 2023, ITDP experienced a decrease in net assets without donor restrictions of approximately \$928,000, and had a deficit in net assets without donor restrictions of approximately \$2,700,000. The ability of ITDP to continue as a going concern is dependent on the success of management's plan to raise funding during the coming fiscal year. ITDP management has established a strategy to increase unrestricted funding and has shared unaudited financials through July of 2024 which indicate an operating surplus of over \$1,000,000 for this portion of the year.

8. PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2023, ITDP identified an overstatement of the 2022 net assets released from donor restrictions, resulting in an adjustment to beginning net assets. The adjustment did not have an impact on total net assets, but resulted in a decrease to beginning net assets without donor restrictions and a corresponding increase to net assets with donor restrictions.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

8. PRIOR PERIOD ADJUSTMENT (Continued)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
Balance, December 31, 2022, as previously reported	\$ (748,159)	\$ 7,350,810	\$ 6,602,651
Adjustment	(997,986)	997,986	-
BALANCE, DECEMBER 31, 2022, AS RESTATED	<u>\$ (1,746,145)</u>	<u>\$ 8,348,796</u>	<u>\$ 6,602,651</u>

9. SUBSEQUENT EVENTS

In preparing these financial statements, ITDP has evaluated events and transactions for potential recognition or disclosure through November 11, 2024, the date the financial statements were issued.