

Financial Statements



Institute for Transportation and Development Policy

**For the Years Ended
December 31, 2025 and 2024**

Institute for Transportation and Development Policy

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Institute for Transportation and Development Policy (ITDP), which comprise the statements of financial position as of December 31, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of ITDP as of December 31, 2025 and 2024, and the results of its changes in net assets and its cash flows for the years 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 30% and 15% of total assets, as of December 31, 2025 and 2024, and approximately 34% and 10% of total support and revenue for the years then ended. The statements for regional offices located in Brazil, China, India, Kenya, and Mexico were prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board. The statements for the regional office located in Indonesia were 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS).

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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 controls 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Activity for Project Cooperation Agreement United Nations Environment Programme (UNEP) on page 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing, and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

June 30, 2026

Institute for Transportation and Development Policy

Statements of Financial Position As of December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,493,766	\$ 1,321,242
Investments	74,724	6,682
Accounts receivable, net	699,847	538,465
Grants receivable	4,159,590	8,844,951
Prepaid expenses	123,235	168,315
Total current assets	<u>6,551,162</u>	<u>10,879,655</u>
PROPERTY AND EQUIPMENT		
Equipment	31,273	31,273
Furniture	62,240	62,240
Computer equipment	327,938	322,553
Leasehold improvements	593,603	593,603
	<u>1,015,054</u>	<u>1,009,669</u>
Less: Accumulated depreciation and amortization	(915,565)	(889,674)
Net property and equipment	<u>99,489</u>	<u>119,995</u>
NONCURRENT ASSETS		
Operating right-of-use assets, net	1,370,158	1,481,866
Other assets	239,551	114,352
Total noncurrent assets	<u>1,609,709</u>	<u>1,596,218</u>
Total Assets	<u><u>\$ 8,260,360</u></u>	<u><u>\$ 12,595,868</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 491,808	\$ 820,614
Deferred revenue	276,949	45,637
Accrued salaries and related benefits	155,898	251,477
Refundable advances	345,158	342,263
Operating lease liabilities	286,471	252,814
Total current liabilities	<u>1,556,284</u>	<u>1,712,805</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, net	1,151,025	1,342,786
Total liabilities	<u>2,707,309</u>	<u>3,055,591</u>
NET ASSETS		
Without donor restrictions	(1,720,347)	(1,947,427)
With donor restrictions	7,273,398	11,487,704
Total net assets	<u>5,553,051</u>	<u>9,540,277</u>
Total Liabilities and Net Assets	<u><u>\$ 8,260,360</u></u>	<u><u>\$ 12,595,868</u></u>

See accompanying notes to financial statements.

Institute for Transportation and Development Policy

**Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions:			
Government and cost reimbursable grants	\$ 2,953,764	\$ -	\$ 2,953,764
Grants, contributions, and sponsorships	195,660	2,973,207	3,168,867
Net assets released from donor restrictions	7,187,513	(7,187,513)	-
Total contributions	10,336,937	(4,214,306)	6,122,631
Consulting and contract revenue	1,167,078	-	1,167,078
Net investment return	2,516	-	2,516
Event and other revenue	20,000	-	20,000
Total support and revenue	11,526,531	(4,214,306)	7,312,225
EXPENSES			
Program Services	9,452,304	-	9,452,304
Supporting Services:			
Management	1,628,095	-	1,628,095
Fundraising	130,167	-	130,167
Total supporting services	1,758,262	-	1,758,262
Total expenses	11,210,566	-	11,210,566
Changes in net assets before other item	315,965	(4,214,306)	(3,898,341)
OTHER ITEM			
Exchange rate loss	(88,885)	-	(88,885)
Total other item	(88,885)	-	(88,885)
Changes in net assets	227,080	(4,214,306)	(3,987,226)
Net assets at beginning of year	(1,947,427)	11,487,704	9,540,277
Net Assets at End of Year	\$ (1,720,347)	\$ 7,273,398	\$ 5,553,051

See accompanying notes to financial statements.

Institute for Transportation and Development Policy

**Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions:			
Government and cost reimbursable grants	\$ 3,211,314	\$ -	\$ 3,211,314
Grants, contributions, and sponsorships	1,253,629	13,292,204	14,545,833
Net assets released from donor restrictions	6,377,353	(6,377,353)	-
Total contributions	10,842,296	6,914,851	17,757,147
Consulting and contract revenue	1,859,983	-	1,859,983
Investment income	(7,277)	-	(7,277)
Total support and revenue	12,695,002	6,914,851	19,609,853
EXPENSES			
Program Services	10,375,322	-	10,375,322
Supporting Services:			
Management	1,350,051	-	1,350,051
Fundraising	144,817	-	144,817
Total supporting services	1,494,868	-	1,494,868
Total expenses	11,870,190	-	11,870,190
Changes in net assets before other item	824,812	6,914,851	7,739,663
OTHER ITEM			
Exchange rate loss	(98,639)	-	(98,639)
Total other item	(98,639)	-	(98,639)
Changes in net assets	726,173	6,914,851	7,641,024
Net assets at beginning of year	(2,673,600)	4,572,853	1,899,253
Net Assets at End of Year	\$ (1,947,427)	\$ 11,487,704	\$ 9,540,277

See accompanying notes to financial statements.

Institute for Transportation and Development Policy

Statement of Functional Expenses For the Year Ended December 31, 2025

	Supporting Services				Total Expenses
	Program Services	Management	Fundraising	Total Supporting Services	
Salaries	\$ 1,737,969	\$ 616,860	\$ 90,220	\$ 707,080	\$ 2,445,049
Payroll taxes	133,420	47,355	6,926	54,281	187,701
Employee benefits	279,974	99,372	14,534	113,906	393,880
Subtotal	2,151,363	763,587	111,680	875,267	3,026,630
Bank charges	33,336	20,018	927	20,945	54,281
Conferences and meetings	325,046	1,954	94	2,048	327,094
Consultants	683,988	199,234	1,616	200,850	884,838
Depreciation and amortization	-	25,893	-	25,893	25,893
Equipment rental	6,786	-	-	-	6,786
Field staff	4,257,634	34,760	834	35,594	4,293,228
Insurance	24,969	34,471	110	34,581	59,550
Legal	34,909	14,736	37	14,773	49,682
License fees and subscriptions	137,633	55,897	3,849	59,746	197,379
Miscellaneous	1,953	21	35	56	2,009
Office supplies	100,626	6,153	3,582	9,735	110,361
Postage and delivery	6,532	488	2,001	2,489	9,021
Printing	30,585	912	107	1,019	31,604
Professional development	91,185	625	18	643	91,828
Professional fees	609,938	195,491	3,651	199,142	809,080
Leases and office cleaning	414,283	117,668	1,237	118,905	533,188
Taxes	60,799	-	-	-	60,799
Telephone and internet	14,434	763	10	773	15,207
Pass through expenses	31,678	-	-	-	31,678
Travel	434,627	78	379	457	435,084
Bad debt	-	152,071	-	152,071	152,071
Credit loss expense	-	3,275	-	3,275	3,275
Total	\$ 9,452,304	\$ 1,628,095	\$ 130,167	\$ 1,758,262	\$ 11,210,566

See accompanying notes to financial statements.

Institute for Transportation and Development Policy

Statement of Functional Expenses For the Year Ended December 31, 2024

	Supporting Services				Total Expenses
	Program Services	Management	Fundraising	Total Supporting Services	
Salaries	\$ 2,066,489	\$ 490,894	\$ 74,505	\$ 565,399	\$ 2,631,888
Payroll taxes	158,325	37,610	5,708	43,318	201,643
Employee benefits	340,824	80,963	12,288	93,251	434,075
Subtotal	2,565,638	609,467	92,501	701,968	3,267,606
Bank charges	86,210	16,050	2,135	18,185	104,395
Conferences and meetings	139,597	3,128	299	3,427	143,024
Consultants	1,305,409	40,453	13,232	53,685	1,359,094
Depreciation and amortization	-	29,063	-	29,063	29,063
Equipment rental	5,679	925	6	931	6,610
Field staff	4,311,877	47,960	5,066	53,026	4,364,903
Insurance	46,270	17,045	353	17,398	63,668
Legal	39,178	4,698	703	5,401	44,579
License fees and subscriptions	242,986	30,944	9,337	40,281	283,267
Miscellaneous	823	246	7	253	1,076
Office supplies	45,468	1,450	2,405	3,855	49,323
Postage and delivery	5,757	600	1,339	1,939	7,696
Printing	19,895	118	150	268	20,163
Professional development	21,482	939	70	1,009	22,491
Professional fees	594,255	315,767	12,101	327,868	922,123
Leases and office cleaning	472,573	42,763	4,198	46,961	519,534
Taxes	23,842	-	-	-	23,842
Telephone and internet	19,601	551	71	622	20,223
Travel	428,782	12,064	844	12,908	441,690
Credit loss expense	-	175,820	-	175,820	175,820
Total	\$ 10,375,322	\$ 1,350,051	\$ 144,817	\$ 1,494,868	\$ 11,870,190

See accompanying notes to financial statements.

Institute for Transportation and Development Policy

**Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (3,987,226)	\$ 7,641,024
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	25,893	29,063
Realized loss	2,574	14,407
Donated securities	(102,451)	(1,211,603)
Bad debt	152,071	-
Proceeds from sale of donated securities	32,000	1,197,170
Changes in allowance for credit losses	3,275	175,820
Amortization of right-of-use asset	192,092	288,546
(Increase) decrease in:		
Accounts receivable	(164,657)	(454,978)
Grants receivable	4,533,290	(7,276,569)
Prepaid expenses	45,080	(12,762)
Other assets	(125,199)	23,831
(Decrease) increase in:		
Accounts payable and accrued liabilities	(328,806)	54,281
Accrued salaries and related benefits	(95,579)	95,742
Deferred revenue	231,312	45,637
Refundable advances	2,895	(294,213)
Operating lease liabilities	(238,488)	(278,565)
Net cash provided by operating activities	178,076	36,831
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(5,387)	(22,374)
Purchases of investments	(165)	(6,155)
Net cash used by investing activities	(5,552)	(28,529)
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Proceeds from line of credit	-	700,000
(Payments on) line of credit	-	(700,000)
Proceeds from loan	1,100,000	340,000
(Payments on) loan	(1,100,000)	(340,000)
Net cash used by financing activities	-	-
Net increase in cash and cash equivalents	172,524	8,302
Cash and cash equivalents at beginning of year	1,321,242	1,312,940
Cash and Cash Equivalents at End of Year	\$ 1,493,766	\$ 1,321,242

See accompanying notes to financial statements.

Institute for Transportation and Development Policy

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
SUPPLEMENTAL INFORMATION		
Interest Paid	\$ 7,777	\$ 45,948
Taxes Paid	<u>\$ 60,799</u>	<u>\$ 23,842</u>
 SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS		
Right-of-Use Asset	\$ 27,722	\$ 25,280
Operating Lease Liability for Right-of-Use Asset	<u>\$ 27,722</u>	<u>\$ 25,280</u>

See accompanying notes to financial statements.

Institute for Transportation and Development Policy

Notes to Financial Statements December 31, 2025 and 2024

1. Summary of Significant Accounting Policies

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 offices in New York and the District of Columbia in the United States; Rio de Janeiro, Brazil; Beijing, China; Chennai, India; Jakarta, Indonesia; Nairobi, Kenya; and Mexico City, Mexico. ITDP is at the forefront of transport innovation, providing technical expertise to accelerate the growth of sustainable mobility and urban development around the world. ITDP works to design and implement high-quality transport systems and policy solutions that make cities more livable, equitable, and sustainable for everyone. Through projects, policy advocacy, and research publications, ITDP aims to reduce air pollution and carbon emissions, enhance economic and social inclusion, and improve quality of life for people in cities. ITDP is supported primarily through grants, donor contributions, and contract revenue. Stakeholders include government officials, policy experts, economic development specialists, transport planners, related civil society organizations, small business operators, environmentalists, and other professionals.

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

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.

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 non-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". 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.

Notes to Financial Statements
December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement Adopted

Accounting Standards Update (ASU 2025-05), *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, provides a practical expedient and accounting policy election for estimated expected credit losses for current accounts receivable and contract assets from transactions accounted for under FASB Accounting Standards Codification (FASB ASC) 606, *Revenue from Contracts with Customers*. Financial assets held by ITDP that are subject to the guidance in FASB ASC 326 are consulting and contract revenue. ITDP has elected the practical expedient which allows an assumption that conditions as of the balance sheet date will not change for the remaining life of the asset. Additionally, ITDP has made the accounting policy election to consider collection activity after the balance sheet date but before May 31, 2026 when estimating expected credit losses. ITDP implemented the ASU on January 1, 2025, using a prospective approach. However, the effects of the new standard were immaterial to the financial statements.

Cash and Cash Equivalents

ITDP considers all highly liquid investments with maturities of three months or less, excluding money market funds included as part of the investment portfolio, to be cash and 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 approximately \$724,642 and \$825,835 of cash and cash equivalents held at financial institutions in foreign countries as of December 31, 2025 and 2024, respectively. The majority of cash and cash equivalents held in foreign countries are uninsured.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets. Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. ITDP’s policy is to liquidate all gifts of investments as soon as possible after the gift.

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.

Institute for Transportation and Development Policy

Notes to Financial Statements December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

Accounts and Grants Receivable (Continued)

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivable are recorded at 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 totaled \$25,893 and \$29,063 for the years ended December 31, 2025 and 2024, respectively.

Support from Grants and Contributions

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.

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 \$345,158 and \$342,263 as of December 31, 2025 and 2024, respectively.

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 \$6,005,957 and \$7,881,022 as of December 31, 2025 and 2024, respectively.

Notes to Financial Statements
December 31, 2025 and 2024

1. Summary of Significant Accounting Policies (Continued)

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 converted into U.S. 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 U.S. Dollars at the exchange rate in effect at the date of the Statements 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 ITDP's programs and supporting services 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 are reported as direct expenses within that functional area and those expenses that benefited more than one functional area are allocated based on estimated time and effort.

Reclassification

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

Notes to Financial Statements
December 31, 2025 and 2024

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, ITDP has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the accompanying Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market ITDP has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended December 31, 2025 and 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equity* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by ITDP are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by ITDP are deemed to be actively traded.

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Notes to Financial Statements December 31, 2025 and 2024

2. Investments and Fair Value Measurements (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 5,161	\$ -	\$ -	\$ 5,161
Equity	27,186	-	-	27,186
Mutual funds	42,377	-	-	42,377
Total Investments	\$ 74,724	\$ -	\$ -	\$ 74,724

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 805	\$ -	\$ -	\$ 805
Equity	5,877	-	-	5,877
Total Investments	\$ 6,682	\$ -	\$ -	\$ 6,682

Net investment return consisted of the following for the years ended December 31, 2025 and 2024:

	2025	2024
Interest and dividends, net	\$ 5,090	\$ 7,130
Realized loss	(2,574)	(14,407)
Net Investment Return	\$ 2,516	\$ (7,277)

3. Line of Credit

ITDP had a line of credit for \$500,000, which expired on June 22, 2024. Drawdowns on the line of credit bore interest based on the Secured Overnight Financing Rate (SOFR) plus 3.00 percentage points. As the line expired during 2024, there was no outstanding balance due on the line of credit as of December 31, 2025 or 2024.

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Notes to Financial Statements December 31, 2025 and 2024

4. Contract Assets and Liabilities

Contract assets consisted of the following revenue streams as of:

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable	\$ 878,942	\$ 714,285	\$ 259,307
Less: Allowance for doubtful accounts	(179,095)	(175,820)	-
Total Contract Assets	\$ 699,847	\$ 538,465	\$ 259,307

The allowance for credit losses consisted of the following as of and for the years ended December 31, 2025 and 2024:

	2025	2024
Allowance for credit losses, beginning of year	\$ 175,820	\$ -
Additions (charges to expenses)	3,275	175,820
Allowance for Credit Losses, End of Year	\$ 179,095	\$ 175,820

Contract liabilities consisted of the following revenue streams as of:

	December 31, 2025	December 31, 2024	January 1, 2024
Deferred Contract Revenue	\$ 276,949	\$ 45,637	\$ -

5. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2025 and 2024:

	2025	2024
Subject to Expenditure for a Specified Purpose:		
Africa projects	\$ 745,416	\$ 1,307,122
Asia projects	2,480,901	2,804,030
Global projects	1,705,572	4,652,525
Latin America projects	1,389,875	1,756,168
India projects	951,634	967,859
Total Net Assets with Donor Restrictions	\$ 7,273,398	\$ 11,487,704

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Notes to Financial Statements December 31, 2025 and 2024

5. Net Assets with Donor Restrictions (Continued)

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 years ended December 31, 2025 and 2024:

	2025	2024
Purpose Restrictions Accomplished:		
Africa projects	\$ 827,561	\$ 121,576
Asia projects	1,933,598	1,890,487
Global projects	2,353,115	1,941,961
Latin America projects	1,357,456	1,322,638
United States projects	-	319,870
India projects	715,783	780,821
Total Net Assets Released from Donor Restrictions	\$ 7,187,513	\$ 6,377,353

6. Liquidity and Availability

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following as of December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 1,493,766	\$ 1,321,242
Investments	74,724	6,682
Accounts receivable	699,847	538,465
Grants receivable	4,159,590	8,844,951
Subtotal financial assets available within one year	6,427,927	10,711,340
Less: Donor-restricted funds	(7,273,398)	(11,487,704)
Financial Assets Available for Use Within One Year	\$ (845,471)	\$ (776,364)

ITDP has a policy to structure its financial assets to be available and liquid as its obligations become due.

7. Lease Commitments

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.

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

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Notes to Financial Statements December 31, 2025 and 2024

7. Lease Commitments (Continued)

ITDP's office lease in New York currently expires in December 2031. ITDP also leased office space under an agreement in Washington, D.C. that expires in August 2027.

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

- An office lease in Rio de Janeiro, Brazil through September 2027.
- An office lease in Mexico City, Mexico through February 2026.
- An office lease in Beijing, China that expires in December 2026.
- An office lease in Guangzhou, China that expired in December 2025.
- An office lease in Chennai, India through January 2028.
- An office lease in Pune, India through July 2027.
- A lease in Kampala, Uganda through July 2026.
- A lease in Kigali, Rwanda through March 2026.
- An office lease in Jakarta, Indonesia through December 2026.
- An office lease in Nairobi, Kenya through September 2026.
- A lease in Dar es Salaam, Tanzania through March 2026.
- A lease in Addis Adaba, Ethiopia through April 2026.

As of December 31, 2025, the weighted-average remaining lease term and discount rate for operating leases is 5.30 years and 2.65%, respectively.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2025:

Year Ending December 31,	
2026	\$ 309,245
2027	261,379
2028	225,076
2029	230,601
2030	237,516
Thereafter	244,644
Subtotal	1,508,461
Less: Imputed interest	(70,965)
Less: Current portion	(286,471)
Long-Term Portion	\$ 1,151,025

Lease expense for the years ended December 31, 2025 and 2024 was \$515,602 and \$496,887, respectively. Total cash paid for the years ended December 31, 2025 and 2024 was \$384,502 and \$288,648, respectively for all operating leases. The lease expense is included in Leases and office cleaning in the accompanying Statements of Functional Expenses.

**Notes to Financial Statements
December 31, 2025 and 2024**

8. 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 years ended December 31, 2025 and 2024 totaled \$152,285 and \$170,341, respectively.

9. Related Party Loans

During 2025, ITDP entered into several short-term loan agreements from the Chief Executive Officer, employees, and an emeritus member of the Board of Directors to support temporary working capital needs. Individual loan principal amounts ranged from \$100,000 to \$300,000 and bore interest at rates ranging from 3.81% to 7.75% per annum, including one loan bearing interest at the prime rate less 0.75%.

During 2025, ITDP received aggregate borrowings of \$1,100,000, consisting of \$500,000 from the Chief Executive Officer, \$400,000 from employees, and \$200,000 from an emeritus member of the Board of Directors. All loans matured within the year, and all Principal and accrued interest were repaid prior to December 31, 2025. Accordingly, no related-party loan balances were outstanding as of December 31, 2025.

During 2024, ITDP entered into two short-term loan agreements from the Executive Director for \$200,000 and an employee for \$140,000. The loans bore interest at rates of 4.86% per annum and the prime rate less 0.75%, respectively. Both loans were repaid prior to December 31, 2024, and no balances were outstanding at year-end.

For the years ended December 31, 2025 and 2024, interest expense totaled \$7,777 and \$7,391, respectively.

10. Liquidity and Financial Sustainability

During the years ended December 31, 2025 and 2024, management evaluated conditions and events that initially raised substantial doubt about ITDP's ability to continue as a going concern. These conditions included the accumulated deficit in net assets without donor restrictions and ongoing liquidity challenges. Management developed and implemented plans to address these conditions, including strengthening financial management processes, improving cost recovery, increasing the proportion of multi-year contractual funding, and enhancing liquidity management.

**Notes to Financial Statements
December 31, 2025 and 2024**

10. Liquidity and Financial Sustainability (Continued)

Based on management's analysis, including projected operating results and cash flows for the twelve-month period following the date the financial statements are available to be issued, management concluded that its plans are probable of being effectively implemented and probable of mitigating the conditions that initially raised substantial doubt. Accordingly, management concluded that substantial doubt was alleviated.

11. Subsequent Events

In preparing these financial statements, ITDP has evaluated events and transactions for potential recognition or disclosure through June 30, 2026, the date the financial statements were issued.

Supplemental Information

Institute for Transportation and Development Policy

**Schedule of Activity for Project Cooperation Agreement
United Nations Environment Programme (UNEP)**

**Accelerating Access to Low Carbon Urban Mobility Solutions
Through Digitalization in Latin America
Institute for Transportation and Development Policy
For the Period January 1, 2025 to December 31, 2025**

	Activity January 1, 2025 to December 31, 2025
Revenue recognized	<u>\$ 901,065</u>
Expenditures:	
Personnel	650,273
Professional fees	19,728
Other	20,198
Travel expenses	2,928
Shared expenses	62,381
Communications shared costs	24,259
Monitoring and evaluation shared costs	<u>17,328</u>
	797,095
Overhead expense	<u>103,970</u>
Total Expenditures	<u><u>\$ 901,065</u></u>