

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of December 31, 2017 and 2016	4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended December 31, 2017 and 2016	5 - 6
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2017	7
EXHIBIT D - Statement of Functional Expenses, for the Year Ended December 31, 2016	8
EXHIBIT E - Statements of Cash Flows, for the Years Ended December 31, 2017 and 2016	9
NOTES TO FINANCIAL STATEMENTS	10 - 16

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Institute for Transportation and Development Policy (ITDP), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

4550 MONTGOMERY AVENUE • SUITE 650 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • FAX (301) 951-3570 • WWW.GRFPCA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF HORWATH INTERNATIONAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ITDP as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

July 18, 2018

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

ASSETS		<u>2017</u>	<u>2016</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	2,662,011	\$ 1,461,318
Accounts receivable		510,544	627,059
Grants receivable (Note 2)		2,162,027	1,050,363
Prepaid expenses		<u>144,056</u>	<u>116,339</u>
Total current assets		<u>5,478,638</u>	<u>3,255,079</u>
PROPERTY AND EQUIPMENT			
Equipment		73,870	74,163
Furniture		52,992	62,757
Computer equipment		282,684	283,485
Leasehold improvements		<u>343,715</u>	<u>311,591</u>
		753,261	731,996
Less: Accumulated depreciation and amortization		<u>(646,385)</u>	<u>(595,362)</u>
Net property and equipment		<u>106,876</u>	<u>136,634</u>
NON-CURRENT ASSETS			
Deposits		82,385	69,353
Grants receivable, net of current portion and discount (Note 2)		<u>-</u>	<u>368,197</u>
Total non-current assets		<u>82,385</u>	<u>437,550</u>
TOTAL ASSETS	\$	<u>5,667,899</u>	\$ <u>3,829,263</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	423,959	\$ 346,386
Accrued salaries and related benefits		319,389	246,430
Funds held on behalf of others		<u>75,293</u>	<u>75,293</u>
Total current liabilities		<u>818,641</u>	<u>668,109</u>
NET ASSETS			
Unrestricted:			
Undesignated		2,093,819	885,450
Board designated (Note 4)		<u>863,039</u>	<u>637,000</u>
Total unrestricted		2,956,858	1,522,450
Temporarily restricted (Note 5)		<u>1,892,400</u>	<u>1,638,704</u>
Total net assets		<u>4,849,258</u>	<u>3,161,154</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>5,667,899</u>	\$ <u>3,829,263</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants	\$ 3,029,741	\$ 4,967,780	\$ 7,997,521
Consulting and contract revenue	1,694,375	-	1,694,375
Contributions	172,850	-	172,850
Interest income	7,787	-	7,787
Contributed services (Note 6)	118,900	-	118,900
Net assets released from donor restrictions (Note 5)	<u>4,714,084</u>	<u>(4,714,084)</u>	<u>-</u>
Total revenue and support	<u>9,737,737</u>	<u>253,696</u>	<u>9,991,433</u>
EXPENSES			
Program Services	<u>7,109,217</u>	<u>-</u>	<u>7,109,217</u>
Supporting Services:			
Fundraising	235,635	-	235,635
Management	<u>958,477</u>	<u>-</u>	<u>958,477</u>
Total supporting services	<u>1,194,112</u>	<u>-</u>	<u>1,194,112</u>
Total expenses	<u>8,303,329</u>	<u>-</u>	<u>8,303,329</u>
Changes in net assets	1,434,408	253,696	1,688,104
Net assets at beginning of year	<u>1,522,450</u>	<u>1,638,704</u>	<u>3,161,154</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,956,858</u>	<u>\$ 1,892,400</u>	<u>\$ 4,849,258</u>

2016		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 1,132,191	\$ 3,334,114	\$ 4,466,305
1,710,937	-	1,710,937
349,205	-	349,205
15,953	-	15,953
119,398	-	119,398
-	-	-
<u>4,541,127</u>	<u>(4,541,127)</u>	<u>-</u>
<u>7,868,811</u>	<u>(1,207,013)</u>	<u>6,661,798</u>
<u>6,660,075</u>	<u>-</u>	<u>6,660,075</u>
220,032	-	220,032
<u>909,061</u>	<u>-</u>	<u>909,061</u>
<u>1,129,093</u>	<u>-</u>	<u>1,129,093</u>
<u>7,789,168</u>	<u>-</u>	<u>7,789,168</u>
79,643	(1,207,013)	(1,127,370)
<u>1,442,807</u>	<u>2,845,717</u>	<u>4,288,524</u>
<u>\$ 1,522,450</u>	<u>\$ 1,638,704</u>	<u>\$ 3,161,154</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Supporting Services				Total Expenses
	Program Services	Fundraising	Management	Total Supporting Services	
Salaries	\$ 1,259,424	\$ 71,691	\$ 492,261	\$ 563,952	\$ 1,823,376
Payroll taxes	89,769	4,598	34,232	38,830	128,599
Employee benefits (Note 8)	196,753	17,385	104,226	121,611	318,364
Subtotal	1,545,946	93,674	630,719	724,393	2,270,339
Bank charges	26,336	43	541	584	26,920
Conferences and meetings	275,634	1,043	73,774	74,817	350,451
Consultants	892,107	1,906	31,664	33,570	925,677
Depreciation and amortization	89,938	-	-	-	89,938
Business meals	24,213	131	1,134	1,265	25,478
Equipment rental	5,780	18	131	149	5,929
Exchange rate	(1,603)	-	-	-	(1,603)
Field staff	2,494,023	1,229	16,955	18,184	2,512,207
Insurance	29,070	614	7,197	7,811	36,881
Legal	11,751	-	11,591	11,591	23,342
License fees	40,666	4,813	2,513	7,326	47,992
Miscellaneous	6,058	83	2,206	2,289	8,347
Office supplies	61,594	128	1,018	1,146	62,740
Postage and delivery	5,383	1,113	1,027	2,140	7,523
Printing	65,733	2,864	2,983	5,847	71,580
Professional development	22,842	539	5,915	6,454	29,296
Professional fees	325,177	121,446	106,387	227,833	553,010
Rent and office cleaning (Note 7)	403,652	3,618	25,398	29,016	432,668
Subscriptions and books	24,337	1,239	2,718	3,957	28,294
Taxes	56,122	-	-	-	56,122
Telephone and internet	34,744	158	3,016	3,174	37,918
Travel	669,714	976	31,590	32,566	702,280
TOTAL	\$ 7,109,217	\$ 235,635	\$ 958,477	\$ 1,194,112	\$ 8,303,329

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Supporting Services				Total Expenses
	Program Services	Fundraising	Management	Total Supporting Services	
Salaries	\$ 1,108,881	\$ 59,631	\$ 474,507	\$ 534,138	\$ 1,643,019
Payroll taxes	78,155	4,256	32,516	36,772	114,927
Employee benefits (Note 8)	162,534	13,497	104,125	117,622	280,156
Subtotal	1,349,570	77,384	611,148	688,532	2,038,102
Bank charges	14,050	40	7,834	7,874	21,924
Conferences and meetings	411,330	602	56,737	57,339	468,669
Consultants	1,118,474	1,553	82,900	84,453	1,202,927
Depreciation and amortization	74,110	-	-	-	74,110
Business meals	14,518	219	312	531	15,049
Equipment rental	3,336	209	130	339	3,675
Exchange rate	49,134	-	-	-	49,134
Field staff	1,949,792	222	13,262	13,484	1,963,276
Insurance	27,721	309	5,892	6,201	33,922
Legal	19,163	-	9,574	9,574	28,737
License fees	21,682	4,789	1,646	6,435	28,117
Miscellaneous	9,960	95	2,276	2,371	12,331
Office supplies	58,599	130	1,827	1,957	60,556
Postage and delivery	14,137	1,741	918	2,659	16,796
Printing	49,640	2,344	994	3,338	52,978
Professional development	12,151	787	3,303	4,090	16,241
Professional fees	382,747	122,513	66,451	188,964	571,711
Rent and office cleaning (Note 7)	362,536	3,469	28,276	31,745	394,281
Subscriptions and books	17,597	2,413	1,566	3,979	21,576
Taxes	9,212	-	-	-	9,212
Telephone and internet	33,898	143	4,786	4,929	38,827
Travel	656,718	1,070	9,229	10,299	667,017
TOTAL	\$ 6,660,075	\$ 220,032	\$ 909,061	\$ 1,129,093	\$ 7,789,168

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 1,688,104	\$ (1,127,370)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	89,938	74,110
Loss on disposal of property and equipment	1,055	5,635
Discount on long-term grants receivable	(13,807)	(24,535)
(Increase) decrease in:		
Accounts receivable	116,515	(136,918)
Grants receivable	(729,660)	1,087,112
Prepaid expenses	(27,717)	(45,916)
Deposits	(13,032)	(5,163)
Increase (decrease) in:		
Accounts payable and accrued liabilities	77,573	760
Accrued salaries and related benefits	72,959	76,038
Refundable advances	-	(108,038)
Net cash provided (used) by operating activities	<u>1,261,928</u>	<u>(204,285)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(62,635)	(138,703)
Proceeds from sale of property and equipment	<u>1,400</u>	<u>-</u>
Net cash used by investing activities	<u>(61,235)</u>	<u>(138,703)</u>
Net increase (decrease) in cash and cash equivalents	1,200,693	(342,988)
Cash and cash equivalents at beginning of year	<u>1,461,318</u>	<u>1,804,306</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,662,011</u>	<u>\$ 1,461,318</u>

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

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

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

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

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 \$542,269 and \$699,808 of cash and cash equivalents held in foreign countries at December 31, 2017 and 2016, respectively. A majority of funds held in foreign countries are uninsured.

Accounts and grants receivable -

Accounts and grants receivable approximate 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 \$1,000 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. Accordingly, no provision for income taxes has been made in the accompanying financial statements. ITDP is not a private foundation.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

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

Uncertain tax positions -

For the years ended December 31, 2017 and 2016, 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 Combined Statement of Financial Position.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of ITDP and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of ITDP and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Contributions, grants and contracts -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Temporarily restricted contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

ITDP receives funding under grants and contracts from international organizations and other grantors 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 grants and contracts are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements. Funding received in advance of incurring the related expenses for these exchange transactions is recorded as a refundable advance.

Contributed services -

Contributed services consist of pro-bono legal services, consulting, and licenses. Contributed services are recorded at their fair value as of the date of the gift (please refer to Note 6).

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

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

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 Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New accounting pronouncement (not yet adopted) -

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statements of Activities and Changes in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of ITDP's financial statements, it is not expected to alter ITDP's reported financial position.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. ITDP has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

ITDP plans to adopt the new ASUs at the respective required implementation dates.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

2. GRANTS RECEIVABLE

As of December 31, 2017 and 2016, contributors to ITDP have made written promises to give totaling \$2,162,027 and \$1,432,367, respectively.

Grants due in more than one-year have been recorded at the present value of the estimated cash flows, using a discount rate of 3.5%. Grants are due as follows at December 31, 2017 and 2016:

	2017	2016
Less than one year	\$ 2,162,027	\$ 1,050,363
One to five years	-	382,004
	2,162,027	1,432,367
Less: Allowance to discount balance to present value	-	(13,807)
NET GRANTS RECEIVABLE	\$ 2,162,027	\$ 1,418,560

3. LINE OF CREDIT

ITDP maintains a \$500,000 bank line of credit, which expired on November 23, 2017 and was renewed through December 23, 2018. Amounts borrowed bear interest at the LIBOR rate, plus 7.5 percentage points. As of December 31, 2017 and 2016, there was no outstanding balance on the line of credit. Terms of the original agreement requires ITDP to maintain unrestricted net assets of not less than \$600,000. No such requirement was included in the renewal.

4. BOARD DESIGNATED NET ASSETS

As of December 31, 2017 and 2016, net assets have been designated by the Board of Directors for the following purposes:

	2017	2016
Operating Reserve	\$ 863,039	\$ 637,000

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2017 and 2016:

	2017	2016
Africa projects	\$ 41,885	\$ 138,857
Asia projects	335,076	967,503
Global projects	735,876	303,606
Latin America projects	169,583	112,837
United States projects	609,980	115,901
TOTAL TEMPORARILY RESTRICTED NET ASSETS	\$ 1,892,400	\$ 1,638,704

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

5. TEMPORARILY RESTRICTED NET ASSETS (Continued)

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

	2017	2016
Africa projects	\$ 87,972	\$ 70,201
Asia projects	1,826,606	1,571,971
Global projects	843,166	1,129,153
Latin America projects	1,740,419	1,548,289
United States projects	215,921	221,513
 TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTION	 \$ 4,714,084	 \$ 4,541,127

6. CONTRIBUTED SERVICES

During the years ended December 31, 2017 and 2016, ITDP was the beneficiary of contributed services, which allowed ITDP to provide greater resources toward various programs.

To properly reflect total expenses, the following donations have been included in revenue and expense for the years ended December 31, 2017 and 2016:

	2017	2016
Contributed Services	\$ 118,900	\$ 119,398

The following programs have benefited from these contributed services:

	2017	2016
Fundraising	\$ 118,900	\$ 119,304
Program Services	-	94
 TOTAL CONTRIBUTED SERVICES	 \$ 118,900	 \$ 119,398

7. LEASE COMMITMENTS

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

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

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

7. LEASE COMMITMENTS (Continued)

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

- An office lease in Brazil through September 30, 2018.
- A lease for space in Mexico, which expired in February 2017 and was renewed through February 2018, and again through February 2019.
- Four office leases in India (one set to expire in September 2017 and was renewed through August 2018; one expired on December 31, 2016 and was renewed through July 2019; one set to expire July 2019, and the last one through March 2020).
- Multiple office leases in China, one set to expire in August 2018 and one set to expire in December 2022.
- A lease for space in Indonesia that expired in May 2017 was renewed through May 2019.

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

<u>Year Ending December 31,</u>	
2018	\$ 359,893
2019	277,255
2020	155,155
2021	31,973
2022	<u>33,251</u>
	<u>\$ 857,527</u>

Rent expense under the aforementioned leases totaled \$383,507 and \$353,204 for the years ended December 31, 2017 and 2016, respectively.

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, 2017 and 2016 totaled \$90,351 and \$85,118, respectively.

INSTITUTE FOR TRANSPORTATION AND DEVELOPMENT POLICY

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. SUBSEQUENT EVENTS

In preparing these financial statements, ITDP has evaluated events and transactions for potential recognition or disclosure through July 18, 2018, the date the financial statements were issued.