Consolidated Financial Statements and Report of Independent Certified Public Accountants

World Resources Institute and Subsidiaries

September 30, 2023 and 2022

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
World Resources Institute and Subsidiaries

Opinion

We have audited the consolidated financial statements of World Resources Institute and Subsidiaries (collectively, the “Institute”), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, and the related consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Institute as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 the Institute 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.

Emphasis of matter

As discussed in Notes A and G to the consolidated financial statements, the Institute has adopted new accounting guidance in 2023 related to the accounting for leases. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute’s ability to continue as a going concern for one year after the date 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 consolidated 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 the Institute'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute'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 consolidated financial statements as a whole. The schedule of select contributions as of September 30, 2023 and 2022 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS.

In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Arlington, Virginia
May 10, 2024

World Resources Institute and Subsidiaries

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	2023	2022
ASSETS		
Cash and cash equivalents	$ 139,386,499	$ 90,916,921
Grants, pledges and contracts receivable, net (Notes B and E)	253,691,905	178,943,762
Investments (Notes C and D)	111,114,715	100,181,421
Right-of-use assets - operating (Note G)	20,263,498	-
Other assets	3,715,372	3,604,212
Foreign currency forward contracts	1,277,595	6,282,574
Software, furniture, fixtures, and equipment, net (Note F)	3,816,607	4,620,135
Total assets	$ 533,266,191	$ 384,549,025
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 13,286,736	$ 10,575,401
Accrued salaries and benefits	7,917,188	6,817,960
Deferred rent	-	3,045,315
Lease liabilities - operating (Note G)	23,057,768	-
Deferred revenue (Note B)	473,282	1,132,437
Funds held for others	-	1,774
Total liabilities	44,734,974	21,572,887
Net assets		
Without donor restrictions		
Board designated - operating reserve (Note B)	33,832,110	25,364,752
Board designated - working capital reserve (Notes B and J)	3,523,649	3,523,649
	37,355,759	28,888,401
With donor restrictions (Note I)		
Restricted for specific purpose and/or passage of time	422,829,256	307,644,896
Reserve fund (endowment) - unappropriated earnings (Note J)	3,163,202	1,292,841
Reserve fund (endowment) - restricted in perpetuity (Note J)	25,183,000	25,150,000
	451,175,458	334,087,737
Total net assets	488,531,217	362,976,138
Total liabilities and net assets	$ 533,266,191	$ 384,549,025

The accompanying notes are an integral part of these consolidated financial statements.

World Resources Institute and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended September 30, 2023

		With Donor Restrictions				
	Without Donor Restrictions	Time and/or Purpose Restricted	Reserve Fund Unappropriated Earnings	Reserve Fund Restricted in Perpetuity	Total With Donor Restrictions	Total
Operating revenues						
Grants/contributions (Note E)	$ 69,936,360	$ 271,221,212	$ -	$ 33,000	$ 271,254,212	$ 341,190,572
Federal grants and cooperative agreements	13,298,439	-	-	-	-	13,298,439
Investment return, net	7,019,652	-	3,669,500	-	3,669,500	10,689,152
Other	704,718	-		-	-	704,718
Support from endowment income	1,799,139	-	(1,799,139)	-	(1,799,139)	-
Net assets released from program and time restrictions (Note I)	157,551,741	(157,551,741)	-	-	(157,551,741)	-
Total operating revenues	250,310,049	113,669,471	1,870,361	33,000	115,572,832	365,882,881
Operating expenses						
Policy research, technical support, and communications programs	213,441,897	-	-	-	-	213,441,897
Administration	19,160,353	-	-	-	-	19,160,353
Development	2,582,926	-	-	-	-	2,582,926
Total operating expenses	235,185,176	-	-	-	-	235,185,176
Change in net assets from operations	15,124,873	113,669,471	1,870,361	33,000	115,572,832	130,697,705
Nonoperating activities						
Loss due to foreign currency forward contracts adjustment (Note B)	(5,004,979)	-	-	-	-	(5,004,979)
(Loss) gain due to foreign currency adjustment (Note B)	(702,941)	1,514,889	-	-	1,514,889	811,948
Loss on the write-offs of uncollectible grants receivables	(949,595)	-	-	-	-	(949,595)
Change in net assets from nonoperating activities	(6,657,515)	1,514,889	-	-	1,514,889	(5,142,626)
CHANGE IN NET ASSETS	8,467,358	115,184,360	1,870,361	33,000	117,087,721	125,555,079
Net assets, beginning of year	28,888,401	307,644,896	1,292,841	25,150,000	334,087,737	362,976,138
Net assets, end of year	$ 37,355,759	$ 422,829,256	$ 3,163,202	$ 25,183,000	$ 451,175,458	$ 488,531,217

The accompanying notes are an integral part of this consolidated financial statement.

World Resources Institute and Subsidiaries

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions: Time and/or Purpose Restricted	With Donor Restrictions: Reserve Fund Unappropriated Earnings	With Donor Restrictions: Reserve Fund Restricted in Perpetuity	With Donor Restrictions: Total With Donor Restrictions	Total
Operating revenues						
Grants/contributions (Note E)	$ 65,155,480	$ 123,869,080	$ -	$ -	$ 123,869,080	$ 189,024,560
Federal grants and cooperative agreements	9,139,911	-	-	-	-	9,139,911
Investment return, net	(2,352,828)	-	(5,297,998)	-	(5,297,998)	(7,650,826)
Other	89,516	-	-	-	-	89,516
Support from endowment income	1,730,032	-	(1,730,032)	-	(1,730,032)	-
Net assets released from program and time restrictions (Note I)	136,396,242	(136,396,242)	-	-	(136,396,242)	-
Total operating revenues	210,158,353	(12,527,162)	(7,028,030)	-	(19,555,192)	190,603,161
Operating expenses						
Policy research, technical support, and communications programs	180,379,948	-	-	-	-	180,379,948
Administration	15,432,750	-	-	-	-	15,432,750
Development	1,897,309	-	-	-	-	1,897,309
Total operating expenses	197,710,007	-	-	-	-	197,710,007
Change in net assets from operations	12,448,346	(12,527,162)	(7,028,030)	-	(19,555,192)	(7,106,846)
Nonoperating activities						
Gain due to foreign currency forward contracts adjustment (Note B)	5,221,281	-	-	-	-	5,221,281
(Loss) gain due to foreign currency adjustment (Note B)	(7,450,975)	1,137,826	-	-	1,137,826	(6,313,149)
Loss on the write-offs of uncollectible grants receivables	(1,209,120)	-	-	-	-	(1,209,120)
Change in net assets from nonoperating activities	(3,438,814)	1,137,826	-	-	1,137,826	(2,300,988)
CHANGE IN NET ASSETS	9,009,532	(11,389,336)	(7,028,030)	-	(18,417,366)	(9,407,834)
Net assets, beginning of year	19,878,869	319,034,232	8,320,871	25,150,000	352,505,103	372,383,972
Net assets, end of year	$ 28,888,401	$ 307,644,896	$ 1,292,841	$ 25,150,000	$ 334,087,737	$ 362,976,138

The accompanying notes are an integral part of this consolidated financial statement.

World Resources Institute and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2023

	Program									
	Food, Forests and Water, Ocean	Cities and Transport	Climate	Energy	Governance, Finance, Economics and Business	Shared and Special Projects	Total Program Expenses	Administration	Development	Total Expenses
Salaries	$ 18,905,361	$ 12,938,994	$ 15,515,155	$ 4,589,223	$ 4,931,303	$ 3,163,637	$ 60,043,673	$ 9,890,480	$ 1,077,176	$ 71,011,329
Fringe benefits	8,081,513	5,625,562	6,851,317	1,894,246	2,137,360	1,381,992	25,971,990	4,279,533	480,177	30,731,700
Research expenses	9,279,763	2,857,663	7,440,222	1,026,910	1,964,423	1,356,550	23,925,531	331,709	525,559	24,782,799
Conference expenses	1,973,776	730,316	800,371	312,331	163,295	409,134	4,389,223	262,127	4,815	4,656,165
Publication expenses	791,854	255,577	359,872	46,512	306,372	98,095	1,858,282	10,590	18,005	1,886,877
Communication expenses	1,191,616	240,941	780,047	132,897	141,805	113,077	2,600,383	12,484	89,828	2,702,695
Travel	2,725,642	1,381,796	1,164,343	497,992	896,095	499,795	7,165,663	849,331	36,160	8,051,154
Occupancy	1,348,699	746,710	988,189	231,537	269,925	227,979	3,813,039	670,251	64,565	4,547,855
Other direct costs	930,904	649,403	604,236	131,811	231,299	814,330	3,361,983	2,853,848	47,905	6,263,736
Subgrants	27,503,314	16,546,422	4,675,297	2,777,144	8,064,241	3,919,941	63,486,359	-	16,459	63,502,818
Library and information services	91,406	51,387	69,731	17,913	22,315	16,298	269,050	-	4,738	273,788
Indirect salaries	1,287,802	723,978	982,420	252,368	314,394	229,622	3,790,584	-	66,746	3,857,330
Indirect benefits	566,460	318,453	432,133	111,008	138,291	101,003	1,667,348	-	29,359	1,696,707
Subgrant pool salaries	1,204,992	724,942	204,837	121,674	353,316	171,743	2,781,504	-	721	2,782,225
Subgrant pool benefits	534,910	321,810	90,929	54,012	156,841	76,239	1,234,741	-	320	1,235,061
Subgrant pool other costs	107,830	64,872	18,330	10,888	31,617	15,369	248,906	-	65	248,971
Rent, postage, supplies and materials	132,925	74,728	101,404	26,049	32,451	23,701	391,258	-	6,889	398,147
Telephone and cables	164,872	92,688	125,775	32,310	40,250	29,397	485,292	-	8,545	493,837
Equipment rental and maintenance	1,167,619	656,413	890,736	228,816	285,053	208,192	3,436,829	-	60,517	3,497,346
Other indirect	354,617	199,359	270,525	69,493	86,573	63,230	1,043,797	-	18,379	1,062,176
Depreciation	501,609	281,995	382,660	98,299	122,459	89,440	1,476,462	-	25,998	1,502,460
Total expenses before G&A allocation	78,847,484	45,484,009	42,748,529	12,663,433	20,689,678	13,008,764	213,441,897	19,160,353	2,582,926	235,185,176
Allocation of administration costs	6,396,846	3,596,186	4,879,935	1,253,577	1,561,675	1,140,591	18,828,810	(19,160,353)	331,543	-
Total expenses after G&A allocations	$ 85,244,330	$ 49,080,195	$ 47,628,464	$ 13,917,010	$ 22,251,353	$ 14,149,355	$ 232,270,707	$ -	$ 2,914,469	$ 235,185,176

The accompanying notes are an integral part of this consolidated financial statement.

World Resources Institute and Subsidiaries

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2022

	Program									
	Food, Forests and Water, Ocean	Cities and Transport	Climate	Energy	Governance, Finance, Economics and Business	Shared and Special Projects	Total Program Expenses	Administration	Development	Total Expenses
Salaries	$ 15,726,293	$ 10,818,612	$ 11,700,906	$ 2,931,046	$ 6,771,579	$ 3,637,036	$ 51,585,472	$ 7,935,523	$ 806,515	$ 60,327,510
Fringe benefits	6,658,050	4,619,665	5,073,383	1,156,140	2,910,247	1,558,168	21,975,653	3,370,869	355,685	25,702,207
Research expenses	6,141,295	2,771,496	7,727,809	900,361	2,507,567	2,084,476	22,133,004	195,960	323,907	22,652,871
Conference expenses	823,705	416,510	871,386	80,423	58,789	292,736	2,543,549	207,650	7,709	2,758,908
Publication expenses	677,692	366,910	552,041	40,638	222,880	459,604	2,319,765	16,004	54,649	2,390,418
Communication expenses	999,201	263,507	868,640	4,827	66,770	207,021	2,409,966	414	1,917	2,412,297
Travel	1,210,023	611,229	631,124	248,582	370,818	301,916	3,373,692	307,220	18,991	3,699,903
Occupancy	982,752	648,457	687,795	148,110	386,291	295,905	3,149,310	515,384	56,311	3,721,005
Other direct costs	727,625	849,164	577,183	93,324	228,904	187,652	2,663,852	2,883,726	54,923	5,602,501
Subgrants	19,169,589	14,376,527	6,833,901	1,222,314	6,590,064	5,515,675	53,708,070	-	36,182	53,744,252
Library and information services	67,252	42,328	56,839	11,101	26,792	17,879	222,191	-	3,329	225,520
Indirect salaries	1,105,205	695,601	934,073	182,432	440,298	293,812	3,651,421	-	54,716	3,706,137
Indirect benefits	480,793	302,604	406,346	79,363	191,541	127,816	1,588,463	-	23,803	1,612,266
Subgrant pool salaries	606,391	454,772	216,177	38,665	208,463	174,477	1,698,945	-	1,145	1,700,090
Subgrant pool benefits	265,119	198,830	94,514	16,905	91,142	76,283	742,793	-	500	743,293
Subgrant pool other costs	51,869	38,900	18,491	3,307	17,831	14,924	145,322	-	98	145,420
Rent, postage, supplies and materials	114,440	72,027	96,720	18,890	45,591	30,423	378,091	-	5,666	383,757
Telephone and cables	158,150	99,537	133,661	26,105	63,004	42,043	522,500	-	7,830	530,330
Equipment rental and maintenance	966,927	608,571	817,206	159,607	385,210	257,052	3,194,573	-	47,870	3,242,443
Other indirect	233,349	146,867	197,217	38,518	92,963	62,034	770,948	-	11,552	782,500
Depreciation	485,002	305,253	409,903	80,057	193,218	128,935	1,602,368	-	24,011	1,626,379
Total expenses before G&A allocation	57,650,722	38,707,367	38,905,315	7,480,715	21,869,962	15,765,867	180,379,948	15,432,750	1,897,309	197,710,007
Allocation of administration costs	4,602,193	2,896,557	3,889,579	759,667	1,833,446	1,223,466	15,204,908	(15,432,750)	227,842	-
Total expenses after G&A allocations	$ 62,252,915	$ 41,603,924	$ 42,794,894	$ 8,240,382	$ 23,703,408	$ 16,989,333	$ 195,584,856	$ -	$ 2,125,151	$ 197,710,007

The accompanying notes are an integral part of this consolidated financial statement.

World Resources Institute and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 125,555,079	$ (9,407,834)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,503,924	1,626,379
Realized loss from sale of investments	1,498,171	343,326
Unrealized (gain) loss on investments	(6,444,261)	9,451,295
Change of discount on long-term contributions	11,358,941	(604,431)
Loss on the write-offs of uncollectible grants receivables	949,595	1,209,120
Unrealized loss (gain) on foreign currency forward contracts	5,004,979	(5,221,280)
Changes in operating assets and liabilities:		
Grants and contracts receivable	(87,056,679)	(3,694,512)
Change in right-of-use assets - operating	3,451,126	-
Other assets	(111,160)	(410,994)
Accounts payable	2,711,335	3,301,929
Accrued salaries and benefits	1,099,228	569,988
Deferred rent	-	(407,745)
Change in lease liabilities - operating	(3,702,171)	-
Deferred revenue	(659,155)	709,336
Funds held for others	(1,774)	(31,600)
Net cash provided by (used in) operating activities	55,157,178	(2,567,023)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	152,051,990	111,753,345
Purchase of investments	(155,039,212)	(109,780,166)
Reinvested interest/dividends	(2,999,982)	(1,902,739)
Purchase of software, furniture, fixtures, and equipment	(700,396)	(1,342,272)
Net cash used in investing activities	(6,687,600)	(1,271,832)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,469,578	(3,838,855)
Cash and cash equivalents, beginning of year	90,916,921	94,755,776
Cash and cash equivalents, end of year	$ 139,386,499	$ 90,916,921

The accompanying notes are an integral part of these consolidated financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Principles of Consolidation

World Resources Institute and subsidiaries (collectively the “Institute”) is an independent research and policy institute founded in 1982 to help governments, environmental and development organizations, and private businesses address a fundamental question as to how societies can meet basic human needs and nurture economic growth without undermining the natural resource base and environmental integrity.

The Institute’s work is carried out by a 1,792-member interdisciplinary staff, strong in sciences, and augmented by a network of advisors, collaborators, fellows, and cooperating institutes in more than 60 countries. The Institute focuses on seven critical issues: Climate, Energy, Food, Forests, Water, Cities and Ocean. Work on these seven issues is supported by experts in four disciplinary centers: Business, Economics, Finance, and Governance.

The accompanying consolidated financial statements include the accounts of the Institute’s separately incorporated subsidiaries: The World Resources Institute Fund (“WRIF”), the World Resources Institute India (“WRII”), the WRI Europe Stichting (“WRI Europe”), WRI International, Inc, and Fundación WRI Colombia (“WRI Colombia”). Descriptions of the activities of each are provided below.

WRIF was created in 1986 as a supporting organization to the Institute. WRIF currently manages the Lee Schipper Scholarship Fund initiated by the Shell Foundation.

WRII, a wholly owned subsidiary of the Institute, is a for-profit company incorporated in India. WRII provides services including, but not limited to, research and analysis to collate and create information to improve and sustainably develop resources and services such as energy, water, food, forests, transit services and urban planning, information to mitigate climate change and develop resilience to climate change, and any other work in the area of holistic planning and environment conservation. WRII’s work is carried out by 60-member interdisciplinary staff, strong in sciences, and is augmented by a network of advisors, collaborators, fellows, and cooperating institutes across India.

WRI Europe is registered as a not-for-profit foundation, referred to as a Stichting under Dutch law and is based in The Hague. WRI Europe works to increase the Institute’s global impact by fostering innovative partnerships, sharing WRI research findings, and ensuring that WRI learns from European insights and experience in development and environmental protection. WRI Europe also actively engages with bilateral donors, foundations and other partners to mobilize funding to support our work. The European Union plays a key role in promoting sustainable development, within Europe and on the global stage. WRI Europe engages with European partners to advance shared goals.

WRI registered legal presence in Colombia in 2020 as Fundación WRI Colombia, a nonprofit organization. Since its creation, WRI Colombia continues channeling its efforts towards the technical positioning and visibility and looking for funding opportunities for the development of local projects. WRI Colombia supports, through different initiatives and technical analysis, mainly three programmatic areas: climate, cities and forest. It also supports the just transition towards an affordable and equitable net zero carbon economy that sustainably uses natural capital while conserving the country's ecosystems and biodiversity. WRI Colombia’s office is composed of an interdisciplinary team of 11 permanent staff members and a group of technical consultants that works closely with national and international partners including private sector, national and subnational government, academic institutions, and donors.

World Resources Institute Kenya was established in May 2022 as branch of WRI International Inc. through the Companies Act of 2015. WRI Kenya work with various partners including private organizations, national and county government, NGOs and other actors to change the human condition with work centered around three main themes of people, nature, and climate. WRI Kenya programs are focused on Restoration, Energy access and transition to clean renewable energy, Climate adaptation and mitigation, and Air quality.

Regional and Representative Offices

The World Resources Institute (U.S.) Beijing Representative Office ("WRI China"), a representative office of the Institute, is registered as a foreign non-governmental organization in China. WRI China works closely with leaders to turn big ideas into action to sustain our natural resources - the foundation of economic opportunity and human well-being. WRI China focuses on five critical issues at the intersection of socioeconomic development and the environment: sustainable cities, climate, water, energy and finance.

The World Recourses Institute Africa Regional Office ("WRI Africa") was established as a regional office through an agreement with the Government of the Federal Democratic Republic of Ethiopia. As a regional office, WRI Africa seeks to connect our disparate projects across the African continent. The office focuses on creating impact at scale, concentrating WRI's efforts geographically and thematically while partnering with pan-African and regional institutions like the African Union and UN Economic Commission for Africa. Most of WRI Africa's work currently falls under the themes of forests, water and cities. Over time, we plan to expand work in other fields that will help determine Africa's future, such as food security, clean energy access and climate change resilience.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Financial Accounting Standards Board has established the Accounting Standards Codification ("ASC") as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with U.S. GAAP. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Classification of Net Assets

Activities of the Institute are recorded in the following net assets categories:

Net Assets Without Donor Restrictions

Net assets available for general use and not subject to donor restrictions. Net assets without donor restrictions also include the investment in software, furniture, fixtures and equipment, net of accumulated depreciation. The Institute's policy is to designate donor gifts without restriction at the discretion of the Board of Directors. The board of directors has designated net assets without donor restrictions for the following uses:

Board Designated - Operating Reserve

Amounts designated by the Board of Directors of the Institute to be maintained as part of a reserve and used for operating purposes.

Board Designated - Working Capital Reserve

Amounts designated by the Board of Directors of the Institute to be maintained as part of a reserve and used to support certain specific future activities as defined by the Board of Directors.

Net Assets with Donor Restrictions

Net assets whose use by the Institute is subject to donor-imposed stipulations that can be fulfilled by actions of the Institute pursuant to those stipulations or that expire by the passage of time. Net assets with donor restrictions also include net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Institute. The donors of these net assets may permit the Institute to use all or part of the income earned on the related investments for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions are reported as increases in the appropriate category of net assets, except for the contributions that impose restrictions that are met in the same fiscal year they are received, which are included in revenues without donor restriction.

WRI recognizes revenue from grants and contracts as either contributions or exchange transactions, depending on whether the transaction is reciprocal or nonreciprocal. For grants and contracts treated as contributions, WRI recognizes revenue when the contribution becomes unconditional. Typically, grants and contracts contain a right of return or right of release provision and limit the Institute’s discretion over how funds transferred should be spent. As such, the Institute recognizes revenue for these conditional contributions when the related barriers have been overcome.

Amounts received in advance of conditions being met are recorded as deferred revenue. The amount of qualifying reimbursable expenses incurred in excess of funds received is included in grants and contracts receivable.

For grants and contracts treated as exchange transactions, the Institute has the right to considerations from the sponsoring organization in an amount that corresponds directly with the value to the sponsoring organization of the Institute’s performance completed to date (cost incurred). For these agreements, the Institute recognizes revenue in the amount to which the Institute has the right to invoice. Revenue recognized for grants and contracts treated as exchange transactions totaled $8,802,126 and $6,186,104 for the years ended September 30, 2023 and 2022, respectively. For expense incurred in advance of receipts of funds from the sponsoring organization, the Institute recorded accounts receivable totaling $3,191,734 and $2,716,437 at September 30, 2023 and 2022, respectively. For amounts received in advance from the sponsoring organization, the Institute recorded deferred revenue totaling $473,282 and $1,132,437 at September 30, 2023 and 2022, respectively.

Foreign Currency

The United States dollar is the functional currency of the Institute; however, the Institute maintains financial assets and liabilities in foreign currencies to meet local obligations in foreign locations. The financial assets and liabilities in foreign currencies are translated using exchange rates in effect at the end of the period and revenue and costs are translated using weighted-average exchange rates for the period.

During the years ended September 30, 2023 and 2022, foreign exchange fluctuations resulted in realized and unrealized gains totaling $811,948 and losses totaling $6,313,149 to the Institute, respectively, as a result of hedge restrictions from some bilateral donors. Management has decided to hedge all significant foreign currency receivables that can be reasonably assured/estimated in terms of amount and collection period, to reduce the Institute's exposure to foreign exchange fluctuations. As a result, losses due to foreign currency forward contracts adjustments for the year ended September 30, 2023 and gains for the year ended September 30, 2022 totaled $5,004,979 and $5,221,281, respectively.

Cash and Cash Equivalents

The Institute considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents except for cash and cash equivalents held in investment accounts.

Investments

Investments held by the Institute are presented at their fair value. Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on an accrual basis. Gains and losses on investments, realized and unrealized, are included in investment return on the consolidated statement of activities.

Software, Furniture, Fixtures and Equipment

Software, furniture, fixtures, and equipment are recorded at cost or fair value if acquired as gifts. Depreciation is recorded on the straight-line basis over estimated useful lives that range from three to seven years. Leasehold improvements are amortized over the shorter of their useful lives or the lease term. Assets purchased under a capital lease are recorded as an asset and a corresponding obligation at the beginning of the lease term. The recorded amount is equal to the present value of the minimum lease payments. Leased assets are amortized over the shorter of their useful lives or the lease term. When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss arising from such disposition is included in the consolidated statement of activities.

The Institute has capitalized its collections. Collections consist of artwork that is held for public exhibition. Collections purchased are capitalized at cost, collections donated are capitalized at appraised value as of the date of the acceptance of the donation. Collections are not depreciated.

Costs Subject to Audit

The Institute's costs under its government grants and cooperative agreements are subject to audit by the awarding agencies. Management of the Institute does not believe that the results of such audits would have a material impact on the financial position and operating results of the Institute.

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

As of September 30, 2023, all interest-bearing U.S. deposit accounts maintained by the Institute were insured up to $250,000 at each financial institution by the Federal Deposit Insurance Corporation. The Institute's cash balances at times, may exceed federally insured limits. However, the Institute has not experienced any losses within these accounts and therefore believes it is not exposed to any significant credit risk associated with those deposits.

The Institute has cash in foreign accounts totaling $8,747,223 and $6,042,162 at September 30, 2023 and 2022, respectively.

Income Tax

The Institute is exempt from federal income tax under Section 501(a) as an organization described in Section 501(c)(3) and further classified as a public charity as described in 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code (the "Code"). WRIF is exempt from federal income tax under Section 501(c)(3) of the Code and is further classified as a public charity as a supporting organization controlled by the Institute. WRI International, Inc is exempt from federal income tax under Section 501(c)(3) of the Code and is organized for charitable, educational, and scientific purposes, under the control of the Institute.

The Institute and WRIF are subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Each organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

WRII, a wholly owned subsidiary of the Institute, is a for-profit corporation incorporated in India, and is a separate entity for federal, state, and local income tax purposes.

WRI Europe and WRI Columbia are foreign not-for-profit organizations controlled by the Institute and report their income and expenses separately from the Institute for tax purposes.

The Institute follows the accounting guidance that clarifies the accounting for uncertainty in tax positions taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Measure of Operations

The accompanying consolidated statements of activities distinguish between operating and non-operating activities. Operating activities principally include all revenues and expenses that are an integral part of the Institute's programs and supporting activities and investment return net of expenses. Non-operating activities include realized and unrealized gains and losses due to foreign currency adjustment, recovery (write-off) of uncollectible grants and other activities which are considered to be nonrecurring in nature.

Expense Allocation

The costs of providing various programs have been summarized on a functional basis and allocated among programs and supporting services benefited. Certain costs are reported among program and supporting services based on specific identification, or allocated using appropriate bases such as headcount or square footage, which have been consistently applied.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation. Loss on the write-offs of uncollectible grants receivables totaling $1,209,120 was reclassified in the statements of financial position from administration operating expenses to nonoperating activities. These reclassifications had no impact on the change in net assets or total net assets.

Recently Adopted Accounting Pronouncements

Accounting Standards Update 2016-02, *Leases (Topic 842)*, is effective for not-for-profit entities for annual periods beginning after December 15, 2021. For the Institute, that is its fiscal year 2023. The core principle of Topic 842 is that a lessee should recognize assets and liabilities that arise from all leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The Institute elected the modified retrospective transition method and did not restate prior comparative periods. The standards also provide additional transition relief, of which the Institute has elected to (1) not reassess whether any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption, (3) not reassess initial direct costs for any existing leases, and (4) not utilize hindsight when assessing lease term and ROU asset impairment. The Institute adopted this standard as of October 1, 2022.

NOTE B - LIQUIDITY AND AVAILABILITY

The Institute's Board approved a Reserve Policy in 2019 that stipulates all net assets without donor restrictions are considered part of either the Operating Reserve or the Working Capital Reserve, both of which require board approval before expenditure. As such, WRI does not consider these board-designated reserves to be available for general expenditure within a year.

The Institute is substantially supported by grants and contracts from governments and private sponsors. Most grants and other contributions carry donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Institute must maintain sufficient resources to meet those commitments to donors. Thus, certain financial assets are available for program expenditure, but may not be available for general expenditure within a year. As part of the Institute's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Institute invests cash in excess of daily requirements in short-term investment and money market funds.

The Institute's financial assets available for general expenditure, that is, without Board, donor, or contractual restrictions limiting their use, within one year of the date of the statement of financial position of September 30, 2023 and 2022 consist of the Board-approved annual endowment draw of 4.25% of the trailing 12 quarter average of the donor-restricted endowment value, or approximately $1.8 million and $1.7 million for September 30, 2023 and 2022, respectively. This amount is also referred to as the endowment fund appropriation for the following year.

As of September 30, 2023, the Institute has approximately $3.1 million in unappropriated earnings on its donor-restricted endowment fund, plus a Board-designated endowment fund of approximately $3.5 million, which are available for general expenditure with appropriate Board approval.

NOTE C - INVESTMENTS

Investments were as follows as of September 30:

	2023	2022
Money market funds	$ 3,854,420	$ 128,202
Equity securities	27,037,428	24,263,476
Mutual funds:		
Fixed income funds	75,640,557	71,584,160
Alternative investments:		
Hedge funds	150,017	80,272
Private equity funds	4,432,293	4,125,311
Total investments	$ 111,114,715	$ 100,181,421

NOTE D - FAIR VALUE

ASC 820, *Fair Value Measurements and Disclosures*, establishes a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. In accordance with ASC 820, the Institute classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Money Market Funds, Equity Securities, and Mutual Funds

Investments in money market funds and equity securities valued at the quoted prices in an active market are classified within Level 1 of the fair value hierarchy.

Alternative Investments

Alternative investments consist of investments in various funds. These investments are aggregated into hedge, equity, fixed income, emerging market and real estate funds based on their underlying investments. The fair value of such investments is determined using the net asset value (“NAV”) per share as a practical expedient. The investments, which are redeemable at or near year end at NAV per share, are not classified within the fair value hierarchy.

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the consolidated statement of financial position at September 30, 2023.

	Level 1	Reported at NAV	Total
Money market funds	$ 3,854,420	$ -	$ 3,854,420
Equity securities	27,037,428	-	27,037,428
Mutual funds:			
Fixed income funds	75,640,557	-	75,640,557
Alternative investments:			
Hedge funds	-	150,017	150,017
Private equity funds	-	4,432,293	4,432,293
Total investments	$ 106,532,405	$ 4,582,310	$ 111,114,715

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the consolidated statement of financial position at September 30, 2022.

	Level 1	Reported at NAV	Total
Money market funds	$ 128,202	$ -	$ 128,202
Equity securities	24,263,476	-	24,263,476
Mutual funds:			
Fixed income funds	71,584,160	-	71,584,160
Alternative investments:			
Hedge funds	-	80,272	80,272
Private equity funds	-	4,125,311	4,125,311
Total investments	$ 95,975,838	$ 4,205,583	$ 100,181,421

The table below presents additional information for the Institute's investments, as of September 30, 2023 and 2022, whose fair value is estimated using the practical expedient of reported NAV. These disclosures are required for all investments that are eligible to be valued using the practical expedient regardless of whether the practical expedient has been applied.

	Fair Value at 9/30/2023	Fair Value at 9/30/2022	Unfunded Commitments at 9/30/2023	Redemption Terms at 9/30/2023	Redemption Terms at 9/30/2022
Hedge funds [a]	$ 150,017	$ 80,272	None	In liquidation	In liquidation
Private equity funds [b]	4,432,293	4,125,311	None	Upon liquidation	Upon liquidation
	$ 4,582,310	$ 4,205,583			

[a] This class includes hedge funds and funds of funds that invest primarily in debt and equity securities. The fair values of the investments have been estimated by using the NAV per share of the funds.

[b] This class includes investments in private equity funds that invest in companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. The fair values of the investments have been estimated by using the NAV per share of the funds. These investments can never be redeemed with the funds. Instead, the nature of investments in this class is that distributions are received though liquidation of the underlying assets of the funds at the direction of the fund managers, which have not communicated that timing to the Institute or announced the timing publicly.

NOTE E - GRANTS, PLEDGES, AND CONTRACTS RECEIVABLE

Grants, pledges and contracts receivable are recorded at their net realizable values. The mix of receivables as of September 30 was as follows:

	2023	2022
U.S. government	2%	2%
Foundations	38	48
Foreign governments	55	29
International organizations	1	12
Corporations, individuals, and others	4	9
	100%	100%

As of September 30, the Institute's receivables were due as follows:

	2023	2022
Due within one year	$ 136,081,602	$ 118,493,692
Due within one to five years	130,828,598	62,283,379
Total gross grants, pledges and contracts receivable	266,910,200	180,777,071
Less:		
Allowance for doubtful accounts	(281,063)	(255,018)
Unamortized discount on receivables	(12,937,232)	(1,578,291)
Grants, pledges, and contracts receivable, net	$ 253,691,905	$ 178,943,762

Contributions that are to be received over multiple years are discounted to present value at a discount rate commensurate with the risk at the time the contributions were pledged. Discount rates used as of September 30, 2023 and 2022 ranged from 0.16% to 5.8% for both years. Allowance for doubtful accounts is determined based on the average write-offs as a percentage of revenue over the last five years. Grants, pledges and contracts receivable are written-off when deemed to be uncollectible.

The Institute received new conditional contributions new projects and existing projects of $134,560,307 and $26,881,164 during the years ended September 30, 2023 and 2022, respectively. The Institute has recorded revenue of $86,988,849 and $59,845,525 for the years ended September 30, 2023 and 2022, respectively, the extent to which the conditions on the contributions have been met. As of September 30, 2023 and 2022, the Institute had conditional contributions outstanding of $129,759,413 and $82,187,955, respectively. Contribution payments due over the ensuing three years are conditional based on progress and reporting satisfactorily to the donor.

NOTE F - SOFTWARE, FURNITURE, FIXTURES, LEASES AND EQUIPMENT

Software, furniture, fixtures, leases and equipment consist of the following at September 30:

	2023	2022
Furniture, equipment and software	$ 15,079,004	$ 14,518,736
Leasehold improvements	6,377,618	6,264,253
Equipment	70,235	70,235
Artwork	8,825	8,825
	21,535,682	20,862,049
Less: accumulated depreciation and amortization	(17,719,075)	(16,241,914)
Furniture, fixtures, and equipment, net	$ 3,816,607	$ 4,620,135

NOTE G - LEASES

As described in Recently Adopted Accounting Pronouncements, we adopted new lease accounting guidance effective October 1, 2022. Upon adoption, ASC 842 Leases had an impact in the Institute's consolidated statements of financial position and in its consolidated statement of activities and change in net assets. As part of the transition, the Institute elected the following practical expedients:

- Package of practical expedients which eliminates the need to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date.

For existing leases, the Institute did not elect the use of hindsight and did not reassess lease term upon adoption.

The Institute evaluates each of its lease and service arrangements at inception to determine if the arrangement is, or contains, a lease and the appropriate classification of each identified lease. A lease exists if the Institute obtains substantially all of the economic benefits of, and has the right to control the use of, an asset for a period of time. The Institute uses the risk-free rate of a comparable term to the lease term to calculate the present value of lease payments. Lease agreements that contain non-lease components are generally accounted for as a single lease component. The Institute combines lease and non-lease components, such as common area, management fees and other maintenance costs, in calculating the right-of-use assets and lease liabilities. The Institute elected to exclude leases with terms of 12 months (short-term) or less from the consolidated statements of financial position.

The Institute has assessed its lease arrangements in accordance with ASC 842, *Leases*. The Institute has determined that it does not have any finance leases as defined under ASC 842 as of September 30, 2023. Consequently, there are no finance lease liabilities or finance lease assets recognized on statement of financial position. The Institute continues to monitor its lease portfolio and will reassess the classification of leases as part of its ongoing lease accounting practices.

The Institute adjusted the opening right-of-use asset balance based on its remaining deferred rent liabilities, rent abatement, and lease incentives. On October 1, 2022, the Institute recorded $20,527,977 in operating lease ROU assets, and $23,573,292 in operating lease liabilities. Operating lease assets exchanged for new lease liabilities totaled $3,186,647. On September 30, 2023, the Institute recorded approximately $20,263,498 in operating lease right-of-use assets and $23,057,768 in operating lease liabilities. The adoption of ASC 842 had no significant impact on the Institute's consolidated statement of activities or cash flows.

The Institute has operating leases for real estate and has entered into various operating lease agreements with property owners.

The components of lease cost for the years ended September 30, 2023, were as follows:

Operating lease cost	$ 3,451,125
Short-term lease cost	527,166
Variable costs	97,575
Total lease cost	$ 4,075,866

The lease term and discount rate for operating leases is as follows:

Weighted average remaining lease term	5.38 years
Weighted average discount rate	3.85%

Future undiscounted minimum future lease payments under non-cancelable leases as of September 30, 2023, are as follows:

Years Ended September 30,	
2024	$ 5,170,476
2025	4,852,875
2026	4,098,081
2027	4,090,732
2028	4,176,377
Thereafter	3,211,188
Total future lease payments	25,599,729
Less: imputed interest	(2,525,023)
Present value of lease liabilities	$ 23,057,768

Total rent expense under FASB ASC 840 (pre-adoption of the new lease standard) for operating expenses for the year ended June 30, 2022 totaled $3,162,210. As of September 30, 2022, remaining future minimum rental payments under operating leases which extend through 2029 are payable as follows:

Years Ended September 30,	
2023	$ 3,800,474
2024	3,800,700
2025	3,821,101
2026	3,839,276
2027	3,903,036
Thereafter	7,060,313
Total	$ 26,224,900

NOTE H - MARGIN LOAN

On July 2, 2020, the Institute entered into a Margin Loan Agreement with Goldman Sachs that bears interest at the Secured Overnight Financing Rate plus 1.31%. Based on the Institute's endowment balance (Note J), the amount available to borrow at September 30, 2023 and 2022 totaled approximately $26 million for both years. There were no amounts drawn from or outstanding on this margin loan as of and for the years ended September 30, 2023 and 2022.

NOTE I - NET ASSETS WITH DONOR RESTRICTIONS

As of September 30, net assets with donor restrictions are restricted for the following programs:

	2023	2022
Cities and transport	$ 65,864,114	$ 73,361,318
Climate	63,928,867	38,456,727
Energy	13,763,475	9,864,569
Food, forests, water, and ocean	206,389,691	77,105,816
Equity	2,366,407	4,389,884
Finance	31,374,936	8,082,009
Business	580,312	13,247,883
Economics	1,221,243	163,455
Special studies/innovation	49,258,189	82,871,862
Development	1,532,131	2,079,130
Cynthia Helms Fellowship Fund	92,943	83,503
Foreign currency unrealized loss	(2,184,112)	(2,665,691)
Multi-year receivable discount	(11,358,940)	604,431
Endowment restricted in perpetuity	25,183,000	25,150,000
Cumulative unappropriated endowment earnings	3,163,202	1,292,841
Total	$ 451,175,458	$ 334,087,737

Net assets released from restrictions by incurring expenses satisfying specific purposes or with passage of time during the years ended September 30, are as follows:

	2023	2022
Cities and transport	$ 37,534,125	$ 26,431,348
Climate	29,829,467	32,334,792
Energy	7,206,286	6,133,968
Food, forests, water, and ocean	59,594,596	40,378,057
Equity	2,903,087	5,380,268
Finance	10,370,081	2,743,201
Business	892,802	7,406,261
Economics	1,117,157	1,149,008
Special studies/innovation	7,687,141	13,597,260
Development	416,999	842,079
Total	$ 157,551,741	$ 136,396,242

NOTE J - ENDOWMENT FUNDS

The Institute's donor restricted endowment funds totaling $25,183,000 and $25,150,000 (cost basis) at September 30, 2023 and 2022, respectively, consist of three individual funds established for a variety of purposes.

In particular, in 1987 the MacArthur Foundation gave the Institute a challenge loan of $12,516,000 with the understanding that it would forgive this loan to the extent that the Institute raised qualifying matching funds under a comprehensive development program. The purpose of the challenge loan was to facilitate the establishment of a donor-restricted endowment for the Institute.

After the Institute successfully met the terms of the loan agreement, a donor-restricted endowment of $25 million (cost basis) was formally established on January 1, 1991, with earnings on the corpus expendable to support any activities of the Institute. The Institute’s Board of Directors adopted an Investment Policy Statement, which establishes spending rules for future withdrawals of earnings to cover portions of the Institute’s annual operating budget while protecting the value of the donor-restricted endowment against inflation. Investment earnings from the donor-restricted endowment (net of investment expenses) are recognized as revenue with donor restriction.

Interpretation of Relevant Law

The Management and Board of Directors of the Institute have interpreted Delaware’s Uniform Prudent Management of Institutional Funds Act of 2007, absent explicit donor stipulations to the contrary, to require the Institute to act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in making determinations to appropriate or accumulate endowment funds, taking into account both its obligation to preserve the value of the endowment and its obligation to use the endowment to achieve the purposes for which it was donated. The Institute classifies net assets with donor restriction as (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment required by the applicable donor gift instrument, if applicable.

Endowment Investment Policies

The Institute's investment objectives are to safeguard and preserve the real purchasing power of the endowment while earning investment returns that are commensurate with the Institute's risk tolerance and sufficient to meet its operational requirements. The investments prioritize the long-term sustainability factors the Institute has identified as most critical, and integrates environmental, social, and governance and impact funds into the endowment, which the Institute believes will maximize long-term risk-adjusted returns and align the portfolio strategy with the Institute's sustainable investment objectives.

The Institute recognizes that analyzing and transitioning an entire portfolio to incorporate sustainability takes time and is not immediate; it is committed to finding, over time, high quality investment options that fit both its sustainable investment and financial objectives, which can bring additional benefits, such as mission alignment, programmatic learning, and practical experience to inform an actionable model for other investors to emulate. The specific investment objectives for the Operating and Program Fund and the Reserve Fund are set forth below.

Reserve Fund

The Reserve Fund shall be invested with the objective of preserving the long-term real purchasing power of the Reserve Fund's assets while seeking an appropriate level of investment return. More specifically, the Institute's investment objectives and constraints for the Reserve Fund include the following:

Preservation of Purchasing Power - The Institute aims to at least preserve the real purchasing power of its assets over time by seeking returns on its investments that are in excess of the spending rate (described below) and the rate of inflation.

Long-Term Growth - The Institute seeks to achieve growth in its assets in excess of inflation by emphasizing long-term investment fundamentals in structuring its investments.

Time Horizon - The Institute intends to invest for the long term, with the total return on the portfolio evaluated on a five-year rolling basis. It is recognized that not every five-year period will meet the Institute's objectives, but the Institute aims to attain its objectives over a series of five-year periods. The Institute will monitor shorter-term investment results and trends while focusing on long-term results.

Risk Tolerance - The Institute seeks to control risk and reduce the volatility in its portfolio through diversification. However, short-term volatility is characteristic of the securities markets and will be tolerated if such volatility is consistent with the volatility of similar investment portfolios, such as the volatility of performance benchmarks described below. The Institute recognizes and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives of the portfolio. In establishing its risk tolerance, the Institute's ability to withstand short- and intermediate-term variability as well as the statistical probability of loss for a given period of time for the portfolio is evaluated by the Finance and Investment Committee.

Liquidity Requirements - The Institute seeks to maintain adequate liquidity to meet its obligations. The Board or the Finance and Investment Committee will inform the Investment Advisor/Outsourced Chief Investment Officer ("OCIO") of any anticipated need for liquidity as such need becomes known. The Investment Advisor/OCIO will presume no liquidity needs other than those provided by this Policy or the Board or the Finance and Investment Committee.

The investment allocation is shown in Note C.

Endowment Spending Policy

The Board of Directors approves an operating budget and associated endowment draw annually. The Institute spending guideline shall normally be 4.5% of the trailing 12 quarter average market value of the investments. As the Board may approve a deviation from the 4.5% guideline if deemed prudent, the Board approved the new endowment draws of 4.25% for the year ended September 30, 2023.

During 2023 and 2022, $1,799,139 and $1,730,032, respectively, of these earnings were transferred from net assets with donor restriction to operating net assets without donor restrictions in accordance with the policy statement referred to above.

Changes in endowment net assets for the year ended September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions Reserve Fund		
	Working Capital Reserve	Unappropriated Earnings	Restricted in Perpetuity	Total
Endowment net assets, beginning of year	$ 3,523,649	$ 1,292,841	$ 25,150,000	$ 29,966,490
Total investment return	-	3,669,500	-	3,669,500
Contributions	-	-	33,000	33,000
Appropriation of endowment assets for expenditure	-	(1,799,139)	-	(1,799,139)
Endowment net assets, end of year	$ 3,523,649	$ 3,163,202	$ 25,183,000	$ 31,869,851

Changes in endowment net assets for the year ended September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions Reserve Fund		
	Working Capital Reserve	Unappropriated Earnings	Restricted in Perpetuity	Total
Endowment net assets, beginning of year	$ 3,523,649	$ 8,320,871	$ 25,150,000	$ 36,994,520
Total investment return	-	(5,297,998)	-	(5,297,998)
Appropriation of endowment assets for expenditure	-	(1,730,032)	-	(1,730,032)
Endowment net assets, end of year	$ 3,523,649	$ 1,292,841	$ 25,150,000	$ 29,966,490

NOTE K - EMPLOYEE BENEFITS

The Institute contributes either 5% or 8% (based on years of service) of eligible employees' annual earnings, as defined in plan agreements under a defined contribution plan. The amount contributed to the plan for the years ended September 30, 2023 and 2022, totaled $4,379,198 and $3,819,842, respectively.

NOTE L - RELATED PARTIES

During the years ended September 30, 2023 and 2022, board members provided grants and the Institute recognized revenue totaling $1,160,929 and $1,660,352, respectively. As of September 30, 2023 and 2022, the Institute had grants receivable, net of a present value discount, of $0 and $250,000, respectively.

NOTE M - SUBSEQUENT EVENTS

The Institute evaluated its September 30, 2023 consolidated financial statements for subsequent events through May 10, 2024, the date the consolidated financial statements were available to be issued. The Institute is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTAL SCHEDULE

World Resources Institute and Subsidiaries

SCHEDULE OF SELECT CONTRIBUTIONS

As of September 30,

Project #	Donor	Award Year	Total Award Amount		Obligated Award Amount		Award Period	Award Purposes	Expenses (Inception to Date, in USD)		Cash Received (Inception to Date, in USD)	
									2023	2022	2023	2022
SID14	Swedish International Development Cooperation Agency	2017	SEK	190,000,000	SEK	190,000,000	2018-2022	Support for the implementation of Institute's Strategic Plan 2018-2022	21,416,240	21,401,371	21,416,240	21,416,240
DAN19	Ministry of Foreign Affairs of Denmark	2018	DKK	75,000,000	DKK	75,000,000	2018-2022	Support for the implementation of Institute's Strategic Plan 2018-2022	11,374,623	10,120,672	11,374,623	11,374,623
DAN25	Ministry of Foreign Affairs of Denmark	2023	DKK	200,000,000	DKK	200,000,000	2023-2028	Support for the implementation of Institute's Strategic Plan 2023-2028	2,842,103	-	-	-
DUT19	Ministry of Foreign Affairs of the Netherlands	2023	USD	30,000,000	DKK	5,000,000	2023-2028	Support for the implementation of Institute's Strategic Plan 2023-2028	4,106,494	-	5,000,000	-
SID20	Swedish International Development Cooperation Agency	2023	SEK	160,000,000	SEK	40,000,000	2023-2028	Support for the implementation of Institute's Strategic Plan 2023-2028	3,372,954	-	1,911,734	-
IK010	IKEA Foundation	2018	USD	1,100,000	USD	1,100,000	2018-2022	Support GCC RE MLE Partner	1,099,548	970,879	1,100,000	1,100,000
IK016	IKEA Foundation	2019	USD	1,096,281	USD	1,096,281	2019-2022	Land Accelerator India	1,096,281	855,150	1,096,281	1,096,281
IK018	IKEA Foundation	2020	USD	2,797,368	USD	2,393,138	2020-2023	Towards More Sustainable and Regenerative Rainfed Agriculture in India and Ethiopia	2,769,936	1,557,639	2,797,368	2,393,138
IK019	IKEA Foundation	2020	USD	5,876,169	USD	4,100,000	2020-2024	Linking Energy and Development: A user centric approach phase 2	3,044,548	1,497,851	4,790,000	3,500,000
IK020	IKEA Foundation	2021	EUR	4,200,000	EUR	2,200,000	2021-2023	Government action post-COP26	2,625,400	1,065,175	2,625,400	2,533,960
IK023	IKEA Foundation	2022	USD	5,077,708	EUR	986,054	2022-2024	Enabling a Locally Led Circular Economy for Food Transition in Rwanda	2,101,859	624,029	4,152,312	986,054
PGS01	Foreign and Commonwealth Office of the United Kingdom	2021	GBP	1,751,904	GBP	1,751,904	2021-2022	Forest Governance Markets and Climate (FGMC)	2,355,153	1,870,596	2,349,701	1,911,902
UNU01	United Nations University	2021	EUR	3,365,954	EUR	3,365,954	2021-2023	Transformative Urban Coalitions: Catalyzing Urban Partnerships to Drive Systemic Transformation Towards Sustainability Mexico, Brazil, Argentina	3,431,323	1,279,770	2,171,323	1,351,015
BMZ18	Federal Ministry for Economic Cooperation and Development of Germany	2019	EUR	14,491,700	EUR	14,491,700	2018-2024	Broadening Partnerships for Climate and Development Facilitating People-Centered Transitions	12,630,602	10,132,504	11,334,094	10,326,613
BMZ24	Federal Ministry for Economic Cooperation and Development of Germany	2019	EUR	3,000,000	EUR	3,000,000	2020-2022	Towards a Water Resilient Africa	3,336,577	2,781,708	3,336,600	3,336,600
BMZ25	Federal Ministry for Economic Cooperation and Development of Germany	2020	EUR	1,000,000	EUR	1,000,000	2020-2021	Helping Developing Countries Manage Water, Climate and Adaptation: Phase II	1,112,200	1,081,886	1,112,200	1,112,200
BMZ26	Federal Ministry for Economic Cooperation and Development of Germany	2020	EUR	3,000,000	EUR	3,000,000	2021-2023	BMZ SUPPORT TO THE NDC PARTNERSHIP	2,745,083	1,102,482	3,268,100	1,190,000
BMZ27	Federal Ministry for Economic Cooperation and Development of Germany	2021	EUR	3,645,000	EUR	3,645,000	2021-2023	Integrated NDC Implementation Support in South Africa	2,843,255	1,236,906	4,109,738	4,109,738
BMZ29	Federal Ministry for Economic Cooperation and Development of Germany	2022	EUR	300,000	EUR	300,000	2022-2024	Rwanda Secretariat for the Taskforce on Access to Climate Finance	191,413	-	76,958	-
BMZ30	Federal Ministry for Economic Cooperation and Development of Germany	2022	EUR	4,200,000	EUR	4,200,000	2023-2025	Empowering countries to lead their own just transitions through NDC and LTS implementation and enhancement	900,583	-	1,528,646	-

This schedule should be read in conjunction with the accompanying Report of Independent Certified Public Accountants and the Consolidated Financial Statements and Notes thereto.

NOTE A - BASIS OF ACCOUNTING

The accompanying schedule of select contributions as of September 30, 2023 and 2022 (the “Schedule") solely presents the expenses and cash received for select contributions and does not purport to represent the total expenses and cash received relating to all contributions of the World Resources Institute and subsidiaries (collectively, the “Institute”). In addition, the Schedule presents expenses an accrual basis and cash received on a cash basis from the inception of the award period through September 30, 2023 and 2022 and does not purport to represent revenues and expenses for the select contributions or for the Institute in total on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for the years ended September 30, 2023 and 2022.