Consolidated Financial Statements and Report of Independent Certified Public Accountants

World Resources Institute and Subsidiaries

September 30, 2017 and 2016

World Resources Institute and Subsidiaries

Contents

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Report of Independent Certified Public Accountants

Board of Directors
World Resources Institute and Subsidiaries

Report on the financial statements

We have audited the accompanying consolidated financial statements of World Resources Institute and subsidiaries (collectively the "Institute"), which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities and changes in net assets 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 consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the consolidated 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 Institute'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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of World Resources Institute and subsidiaries as of September 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedules of Functional Expenses for the year ended September 30, 2017 and 2016 are also presented for additional analysis and are 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 audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 auditing standards generally accepted in the United States of America. 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
March 1, 2018

World Resources Institute and Subsidiaries

Consolidated Statements of Financial Position

As of September 30,	2017	2016
Assets		
Cash and cash equivalents	$ 16,692,448	$ 15,091,949
Cash restricted (Note H)	54,760	54,760
Grants, pledges and contracts receivable, net (Note D)	42,140,255	46,247,058
Investments (Notes B and C)	37,983,235	36,727,548
Other assets	1,767,088	1,443,417
Furniture, fixtures, leases and equipment, net (Note E)	7,811,714	8,637,170
Total Assets	$ 106,449,500	$ 108,201,902
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 9,439,408	$ 6,320,911
Accrued salaries and benefits	3,547,128	3,166,668
Obligation under capital leases	18,704	26,268
Deferred rent	4,209,548	4,631,842
Deferred revenue	5,389,560	1,262,221
Funds held for others	118,117	65,956
Term loan (Note G)	1,642,857	1,904,762
Interest-rate swap agreement (Note G)	18,148	77,140
Total Liabilities	24,383,470	17,455,768
Net Assets		
Unrestricted:		
Operating	945,649	887,233
Designated–working capital reserve	3,523,649	3,374,338
	4,469,298	4,261,571
Temporarily restricted (Note I)	52,496,732	61,384,563
Permanently restricted (Note J)	25,100,000	25,100,000
Total Net Assets	82,066,030	90,746,134
Total Liabilities and Net Assets	$ 106,449,500	$ 108,201,902

The accompanying notes are an integral part of these statements.

World Resources Institute and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets

Year ended September 30, 2017

	Unrestricted					
	Operating	Designated	Total	Temporarily Restricted	Permanently Restricted	Total
Revenues						
Grants/contributions and contracts	$ 52,057,614	$ —	$ 52,057,614	$ 29,385,203	$ —	$ 81,442,817
Federal grants and cooperative agreements	5,920,879	—	5,920,879	—	—	5,920,879
Investment return, net (Note B)	—	149,311	149,311	2,994,072	—	3,143,383
Publications	3,715	—	3,715	—	—	3,715
Other	(705,903)	—	(705,903)	—	—	(705,903)
Support from endowment income	1,917,934	—	1,917,934	(1,917,934)	—	—
Net assets released from program and time restrictions	39,349,172	—	39,349,172	(39,349,172)	—	—
Total Revenue	98,543,411	149,311	98,692,722	(8,887,831)	—	89,804,891
Expenses						
Policy research, technical support and communications programs	88,721,422	—	88,721,422	—	—	88,721,422
Administration	7,072,106	—	7,072,106	—	—	7,072,106
Development	2,691,467	—	2,691,467	—	—	2,691,467
Total Expenses	98,484,995	—	98,484,995	—	—	98,484,995
Change in Net Assets	58,416	149,311	207,727	(8,887,831)	—	(8,680,104)
Net Assets, beginning of year	887,233	3,374,338	4,261,571	61,384,563	25,100,000	90,746,134
Net Assets, end of year	$ 945,649	$ 3,523,649	$ 4,469,298	$ 52,496,732	$ 25,100,000	$ 82,066,030

The accompanying notes are an integral part of this statement.

World Resources Institute and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets

Year ended September 30, 2016

	Unrestricted					
	Operating	Designated	Total	Temporarily Restricted	Permanently Restricted	Total
Revenues						
Grants/contributions and contracts	$ 43,866,422	$ —	$ 43,866,422	$ 46,316,535	$ —	$ 90,182,957
Federal grants and cooperative agreements	7,323,328	—	7,323,328	—	—	7,323,328
Investment return, net (Note B)	—	133,677	133,677	2,539,871	—	2,673,548
Publications	14,297	—	14,297	—	—	14,297
Other	(828,859)	—	(828,859)	—	—	(828,859)
Support from endowment income	2,020,716	—	2,020,716	(2,020,716)	—	—
Net assets released from program and time restrictions	37,784,740	—	37,784,740	(37,784,740)	—	—
Total Revenue	90,180,644	133,677	90,314,321	9,050,950	—	99,365,271
Expenses						
Policy research, technical support and communications programs	81,920,569	—	81,920,569	—	—	81,920,569
Administration	5,629,895	—	5,629,895	—	—	5,629,895
Development	2,082,174	—	2,082,174	—	—	2,082,174
Total Expenses	89,632,638	—	89,632,638	—	—	89,632,638
Change in Net Assets	548,006	133,677	681,683	9,050,950	—	9,732,633
Net Assets, beginning of year	339,227	3,240,661	3,579,888	52,333,613	25,100,000	81,013,501
Net Assets, end of year	$ 887,233	$ 3,374,338	$ 4,261,571	$ 61,384,563	$ 25,100,000	$ 90,746,134

The accompanying notes are an integral part of this statement.

World Resources Institute and Subsidiaries

Consolidated Statements of Cash Flows

Year ended September 30, 2017	**2017**	**2016**
Cash Flows from Operating Activities		
Change in net assets	$ (8,680,104)	$ 9,732,633
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,976,549	1,627,900
Loss from disposal of equipment	3,245	—
Realized gain from sale of investments	(6,794,745)	(2,264,335)
Unrealized (loss) gain on investments	4,319,417	(153,020)
Reinvested interest/dividends	(772,748)	(447,399)
Change in fair value of interest rate swap agreement	(58,992)	77,140
Changes in operating assets and liabilities:		
Cash restricted – held for others	—	(16,835)
Grants and contracts receivable	4,106,803	(1,652,660)
Other assets	(323,671)	1,410,132
Accounts payable	3,118,497	(34,321)
Accrued salaries and benefits	380,460	412,665
Funds held for others	52,161	(8,201)
Deferred rent	(422,294)	1,563,890
Deferred revenue	4,127,339	59,482
Net Cash Provided by Operating Activities	1,031,917	10,307,071
Cash Flows from Investing Activities		
Proceeds from sales of investments	43,213,089	11,705,406
Purchase of investments	(41,220,700)	(10,172,588)
Purchase of furniture, fixtures and equipment	(1,154,338)	(3,870,926)
Net Cash Provided by (Used in) Investing Activities	838,051	(2,338,108)
Cash Flows from Financing Activities		
Advances on line-of-credit	8,000,000	5,000,000
Payments on line-of-credit	(8,000,000)	(8,000,000)
Payments on capital lease obligations	(7,564)	(8,928)
Advances on term loan	—	2,000,000
Payments on term loan	(261,905)	(95,238)
Net Cash Used in Financing Activities	(269,469)	(1,104,166)
Net Increase in Cash and Cash Equivalents	1,600,499	6,864,797
Cash and Cash Equivalents, beginning of year	15,091,949	8,227,152
Cash and Cash Equivalents, end of year	$ 16,692,448	$ 15,091,949
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 89,081	$ 54,570

The accompanying notes are an integral part of these 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 733-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 six critical issues: Climate, Energy, Food, Forests, Water, and Cities. Work on these six 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"), and the World Resources Institute India ("WRII"), WRI Environment Management Consultancy (Beijing) Co, Ltd. ("WRI China"), and WRI Europe Stichting ("WRI Europe"). 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 (see Note H).

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 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 70 member interdisciplinary staff, strong in sciences, and is augmented by a network of advisors, collaborators, fellows, and cooperating institutes across India.

WRI China, a wholly-owned subsidiary of the Institute, is a for-profit company incorporated 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.

WRI Europe is registered as a not-for-profit limited liability company 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.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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. All intercompany accounts and transactions have been eliminated.

Classification of Net Assets

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

Unrestricted

Operating–Unrestricted revenues and operating expenses of the Institute. Current investment earnings are available to support current operations.

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.

Temporarily Restricted–Contributions restricted, as to time or purpose, by the donor. When the purpose or time period restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently Restricted–Funds that are restricted by donors requiring that the principal be invested in perpetuity. The earnings on these funds are available for general or specific purposes and are used in accordance with a spending policy approved by the Board of Directors.

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 unrestricted revenues.

Income from grants and contracts are currently recorded as unrestricted revenue when the costs are incurred. Amounts received that have not been expended are recorded as deferred revenue. The amount of expenses incurred in excess of funds received is included in grants and contracts receivable.

Grants from U.S. Agency for International Development ("USAID") and other U.S. federal agencies are recognized to the extent that qualifying reimbursable expenses have been incurred over the terms of the respective agreements.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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 year ended September 30, 2017 and 2016, foreign exchange fluctuations resulted in losses to the Institute totaling $552,781 and $56,518, 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.

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 market 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 the consolidated statement of activities.

Furniture, Fixtures and Equipment

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.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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 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, 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, 2017, 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. At September 30, 2017, the uninsured amounts totaled $7,838,869. 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 $2,868,211 at September 30, 2017.

Income Tax

The Institute and WRIF are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code ("IRC" or the "Code"), though they are subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Institute is an entity described under Section 509(a)(1) and WRIF is an entity described under Section 509(a)(3) of the IRC and, therefore, are not classified as private foundations.

The Institute 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. No material taxable unrelated business income was generated and, accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The tax years ending September 30, 2014, 2015, 2016 and 2017 are still open to audit for both federal and state purposes

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Income Tax—Continued

The Institute follows the accounting guidance that creates a single model to address uncertainty in tax positions and clarifies accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in its consolidated financial statements. Under the requirements of this guidance, organizations could now be required to record an obligation as the result of tax positions they have historically taken on various tax exposure items. 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. The Institute is not required to record such an obligation.

NOTE B—INVESTMENTS

Investments were as follows as of September 30:

	2017	2016
Money market funds	$ 479,372	$ 996,517
Equity securities	11,109,751	5,611,638
Mutual funds:		
Equity funds	8,890,710	8,603,896
Fixed income funds	16,473,383	2,480,851
Alternative investments:		
Hedge funds	398,545	11,768,874
Private equity funds	631,474	—
Fixed income funds	—	1,094,497
Emerging market funds	—	6,171,275
Total investments	$ 37,983,235	$ 36,727,548

NOTE B—INVESTMENTS—Continued

Investment return consists of the following for the years ended September 30:

	2017	2016
Realized gains	$ 6,794,745	$ 2,264,335
Unrealized (losses) gains	(4,319,417)	153,020
Dividends and interest	772,748	447,399
Investment management fees and foreign taxes	(113,693)	(191,206)
Total	$ 3,143,383	$ 2,673,548

NOTE C—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.

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* ("ASU 2015-07"). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are measured at net asset value ("NAV") using the practical expedient. ASU 2015-07 also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016 and early adoption is permitted. The Institute early adopted this update effective October 1, 2015.

NOTE C—FAIR VALUE—Continued

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 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 in accordance with the adoption of ASU 2015-07.

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, 2017.

	Level 1	Reported at NAV	Total
Money market funds	$ 479,372	$ —	$ 479,372
Equity securities	11,109,751	—	11,109,751
Mutual Funds:			
Equity funds	8,890,710	—	8,890,710
Fixed income funds	16,473,383	—	16,473,383
Alternative investments:			
Hedge funds	—	398,545	398,545
Private equity funds	—	631,474	631,474
Total investments	$ 36,953,216	$ 1,030,019	$ 37,983,235

NOTE C—FAIR VALUE—Continued

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, 2016.

	Level 1	Reported at NAV	Total
Money market funds	$ 996,517	$ —	$ 996,517
Equity securities	5,611,638	—	5,611,638
Mutual Funds:			
Equity funds	8,603,896	—	8,603,896
Fixed income funds	2,480,851	—	2,480,851
Alternative investments:			
Hedge funds	—	11,768,874	11,768,874
Fixed income funds	—	1,094,497	1,094,497
Emerging market funds	—	6,171,275	6,171,275
Total investments	$ 17,692,902	$ 19,034,646	$ 36,727,548

The table below presents additional information for the Institute's investments, as of September 30, 2017 and 2016, 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 9/30/2017	Fair Value at 9/30/2016	Unfunded Commitments	Expected Liquidation Term	Redemption Terms at 9/30/17	Redemption Restrictions at 9/30/17
Hedge funds (a)	$ 398,433	$ 11,768,874	None	In liquidation	In liquidation	Not applicable
Private equity funds (b)	631,474	—	$979,970	9 years	Upon liquidation	Not applicable
Fixed income funds (c)	—	1,094,497	None	Not applicable	None	None
Emerging market funds (d)	—	6,171,275	None	Not applicable	None	None
	$ 1,030,019	$ 19,034,646				

(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.

(c) This class includes investments in funds that invest primarily in equity stock and debt securities in emerging economies. The fair values of the investments have been estimated using the NAV per share of the fund.

(d) This class includes investments in funds that invest primarily in equity stock and debt securities in emerging economies. The fair values of the investments have been estimated using the NAV per share of the fund.

NOTE D—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:

	2017	2016
U.S. government	6%	3%
Foundations	19%	6%
Foreign governments	40%	56%
International organizations	14%	20%
Corporations, individuals, and others	21%	15%
	100%	100%

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

	2017	2016
Due within one year	$ 33,341,177	$ 39,173,116
Due within one to five years	9,222,249	7,441,626
Total gross grants, pledges and contracts receivable	42,563,426	46,614,742
Less:		
Allowance for doubtful accounts	(191,386)	(215,891)
Unamortized discount on receivables	(231,785)	(151,793)
Grants, pledges, and contracts receivable, net	$ 42,140,255	$ 46,247,058

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, 2017 and 2016 ranged from 1.88% to 2.92% and from 1.88% to 2.37%, respectively. 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 pledges of $11,205,920 and $52,356,831 during the years ended September 30, 2017 and 2016, respectively. The Institute has recorded revenue of $20,648,832 and $27,135,950 for the years ended September 30, 2017 and 2016, respectively, the extent to which the conditions on the pledges have been met. As of September 30, 2017 and 2016, the Institute had conditional pledges outstanding of $41,674,506 and $51,117,418, respectively. Pledge payments due over the ensuing three years are conditional based on progress and reporting satisfactory to the donor.

NOTE E—FURNITURE, FIXTURES, LEASES AND EQUIPMENT

Furniture, fixtures, and equipment consist of the following at September 30:

	2017	2016
Furniture, equipment and software	$ 9,353,319	$ 8,295,554
Leasehold improvements	6,120,085	6,047,354
Equipment under capital lease agreements	70,235	70,235
Artwork	8,825	8,825
	15,552,464	14,421,968
Less: accumulated depreciation and amortization	(7,740,750)	(5,784,798)
Furniture, fixtures, and equipment, net	$ 7,811,714	$ 8,637,170

NOTE F—OFFICE LEASE COMMITMENTS AND RENT ABATEMENT

The Institute has entered into various operating lease agreements.

During 2007, the Institute renegotiated and extended its current lease for its Washington, DC office space, under an agreement which expires in February 2019. In 2015, the Institute extended the existing lease through December 2028. As part of the office building lease, the Institute received a total of six months of free rent; from February 2016 to July 2016. This rent abatement is being amortized on a straight-line basis over the life of the lease as a reduction of rent expense. Also as part of the office building lease, the Institute received a tenant allowance of $4,545,305. The tenant allowance was $3,596,799 and $3,915,767 for the years ended September 30, 2017 and 2016, respectively, and was being amortized on a straight-line basis over the life of the lease as a reduction of rent expenses.

NOTE F—OFFICE LEASE COMMITMENTS AND RENT ABATEMENT—Continued

Minimum future rental payments under non-cancelable leases as of September 30, 2017 are as follows:

September 30,	
2018	$ 3,596,210
2019	2,293,837
2020	3,536,719
2021	3,553,768
2022	3,633,538
Thereafter	23,911,036
Total	$ 40,525,108

Rental expense for these leases was $3,502,897 and $3,617,739 for the years ended September 30, 2017 and 2016, respectively.

NOTE G—DEBT

The Institute entered into a 7-year term loan agreement with SunTrust Bank for an amount not to exceed $3,500,000. On December 1, 2015, the Institute drew $2,000,000 on their term loan which bears interest at the daily floating London Interbank Offered Rate ("LIBOR") plus 1.30%. Pursuant to the Security Agreement executed in connection with the term loan, the Institute has granted to SunTrust Bank a security interest in all of the Institute's assets as collateral.

Principle payments are as follows for the years subsequent to September 30, 2017:

September 30,	
2018	$ 285,714
2019	285,714
2020	285,714
2021	285,714
2022	285,714
Thereafter	214,287
Total	$ 1,642,857

NOTE G—DEBT—Continued

The Institute entered into an interest rate swap agreement, with an effective date of December 1, 2015, whereby the Institute agreed to swap its variable rate of interest of 1 month LIBOR plus 1.30% for a fixed rate equal to 3.44%. The variable rate of interest at September 30, 2017 and 2016 was 2.54% and 1.82%, respectively. The notional amount, per swap agreement, was $1,642,857 and $1,904,762 as of September 30, 2017 and 2016, respectively, and is amortized monthly until the termination date on May, 28, 2023. The fair value of the swap agreement as of September 30, 2017 and 2016 was a liability of $18,148 and $77,140, respectively. Net settlement transactions related to the swap agreement resulted in a net loss to the Institute totaling $22,585 and $11,182 for the years ended September 30, 2017 and 2016, respectively.

As of and for the years ended September 30, 2017 and 2016, amounts included within the financial statements relating to the interest rate swap agreement are as follows:

Fair Value at September 30, 2017	Statement of Financial Position Location	Change in Value of Interest Rate Swap Agreement for the Year Ended September 30, 2017	Statement of Activities Location	Level Within Fair Value Hierarchy
$(18,148)	Interest-rate swap agreement	$58,992	Administration	Level 2

As of and for the year ended September 30, 2016, amounts included within the financial statements relating to the interest rate swap agreement are as follows:

Fair Value at September 30, 2016	Statement of Financial Position Location	Change in Value of Interest Rate Swap Agreement for the Year Ended September 30, 2016	Statement of Activities Location	Level Within Fair Value Hierarchy
$(77,140)	Interest-rate swap agreement	$(77,140)	Administration	Level 2

On October 24, 2016, the Institute entered into a revolving line-of-credit agreement with SunTrust Bank for $9,500,000 which bears interest at the daily floating LIBOR plus 1.30%. There was an outstanding balance of $0 as of September 30, 2017 and 2016.

NOTE H—RESTRICTED CASH

During 2012, the Shell Foundation provided a grant of $100,000 to EMBARQ, a WRI program in memory of the late Lee Schipper to establish a scholarship fund. Other smaller donors have since contributed an additional $6,325 to this effort. As of September 30, 2017 and 2016, this fund had a balance of $54,760.

NOTE I—TEMPORARILY RESTRICTED NET ASSETS

As of September 30, temporarily restricted net assets are restricted for the following programs:

	2017	2016
Cities & Transport (EMBARQ)	$ 18,764,992	$ 15,300,518
Climate (Climate & Energy)	7,574,268	3,268,931
Energy	1,320,367	1,184,332
Food Forests & Water (People & Ecosystems)	17,358,669	27,007,985
Governance (Institutions & Governance)	2,325,138	1,575,754
Finance	426,546	63,558
Business (Market & Enterprise)	475,291	319,286
Special Studies/Innovation	2,317,550	11,708,525
Communication & World Resources Report	37,396	114,000
Cumulative unappropriated endowment earnings	1,676,972	600,835
Cynthia Helms Fellowship Fund	140,163	152,720
Foreign currency unrealized (loss) gain	(613)	56,518
Multi Year Receivable Discount	79,993	31,601
Total	$ 52,496,732	$ 61,384,563

NOTE I—TEMPORARILY RESTRICTED NET ASSETS—Continued

Net assets released from restrictions by incurring expenses satisfying their restricted purposes during the years ended September 30, are as follows:

	2017	2016
Cities & Transport (EMBARQ)	$ 10,836,960	$ 13,313,336
Climate (Climate & Energy)	2,956,067	4,381,089
Energy	693,983	1,374,360
Food Forests & Water (People & Ecosystems)	18,387,344	5,703,039
Governance (Institutions & Governance)	1,055,521	2,548,802
Finance	55,000	974,130
Business (Market & Enterprise)	319,286	275,791
Special Studies/Innovation	4,931,011	8,378,794
Communication & World Resources Report	114,000	642,729
Development	—	192,670
Total	$ 39,349,172	$ 37,784,740

NOTE J—ENDOWMENT FUNDS

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 permanent endowment for the Institute.

After the Institute successfully met the terms of the loan agreement, an endowment was formally established at the level of $25 million (cost basis) on January 1, 1991, with earnings on the corpus expendable to support any activities of the Institute. The Institute's Board of Directors adopted a policy statement entitled *Endowment Fund: Purposes, Goals, and Policies*, 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 endowment against inflation. Investment earnings from the endowment (net of investment expenses) are recognized as temporarily restricted revenue.

In 2003 and individuals contributed $100,000 for the purpose of creating an endowment fund to enable the Institute to hire interns. Investment earnings from the endowment fund is recognized as temporarily restricted revenue and used to pay for interns.

NOTE J—ENDOWMENT FUNDS—Continued

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 accumulated 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 as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment required by the applicable donor gift instrument, if applicable.

Endowment Investment Policies

The Institute's investments are managed in accordance with the Board adopted Investment Policy Statement. The Institute's mission is to move human society to live in ways that protect earth's environment and its capacity to provide for the needs and aspirations of current and future generations. Our investments prioritize our mission and values and should be aligned such that we invest in companies/instruments that are fully transparent and sensitive to environmental and developmental issues. The investment strategy of the Institute is to emphasize total return; that is, the aggregate returns from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management for Endowment assets shall be:

> Long-term growth of capital, emphasizing long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

The secondary objective in the investment management of Endowment assets shall be:

> Preservation of Purchasing Power After Spending - To achieve net returns (after management and custodial fees) in excess of the rate of inflation plus our spending guideline (see below) over the investment horizon in order to preserve purchasing power of Endowment assets. Risk control is an important element in the investment of Endowment assets.
>
> Over the established investment horizon of 10 years or longer, it is the goal of the aggregate Endowment assets to significantly exceed the rate of inflation (as measured by the Consumer Price Index) plus 1.0% over a market cycle.

The investment allocation is shown in Note B.

NOTE J—ENDOWMENT FUNDS—Continued

Endowment Spending Policy

The Board of Directors approves an operating budget and associated endowment draw annually. The Institute spending guideline shall normally be 4.75% of the trailing 12 quarter average market value of the investments. The Board may approve a deviation from the 4.75% guideline if deemed prudent.

During 2017 and 2016, $1,917,934 and $2,020,716, respectively, of these earnings were transferred from temporarily restricted to unrestricted operating net assets in accordance with the policy statement referred to above.

Endowment Net Assets Composition by Type of Fund as of September 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ —	$ 1,676,973	$ 25,100,000	$ 26,776,972
Board-designated endowment funds	3,523,649	—	—	3,523,649
Total funds	$ 3,523,649	$ 1,676,973	$ 25,100,000	$ 30,300,622

Changes in Endowment Net Assets for the Year Ended September 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 3,374,338	$ 600,835	$ 25,100,000	$ 29,075,173
Investment return				
Reinvested dividends and interest, unrealized appreciation	48,302	920,272	—	968,574
Realized appreciation, net fees	101,009	2,073,800	—	2,174,809
Total investment return	149,311	2,994,072		3,143,383
Appropriation of endowment assets for expenditure	—	(1,917,934)	—	(1,917,934)
Endowment net assets, end of year	$ 3,523,649	$ 1,676,973	$ 25,100,000	$ 30,300,622

NOTE J—ENDOWMENT FUNDS—Continued

Endowment Net Assets Composition by Type of Fund as of September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ —	$ 600,835	$ 25,100,000	$ 25,700,835
Board-designated endowment funds	3,374,338	—	—	3,374,338
Total funds	$ 3,374,338	$ 600,835	$ 25,100,000	$ 29,075,173

Changes in Endowment Net Assets for the Year Ended September 30, 2016:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 3,240,661	$ 81,680	$ 25,100,000	$ 28,422,341
Investment return				
Reinvested dividends and interest, unrealized appreciation	30,020	570,385	—	600,405
Realized appreciation, net fees	103,657	1,969,486	—	2,073,143
Total investment return	133,677	2,539,871	—	2,673,548
Appropriation of endowment assets for expenditure	—	(2,020,716)	—	(2,020,716)
Endowment net assets, end of year	$ 3,374,338	$ 600,835	$ 25,100,000	$ 29,075,173

NOTE K—SIGNIFICANT CONTRIBUTIONS

The Institute was awarded a two-year core funding grant of $8,600,000 on October 1, 2012, by the Netherlands Ministry of Foreign Affairs for the program Sustainable Development in a Warming and Resource-Constrained World. An additional $375,000 was pledged in November 2013 to support Less Developed Countries ("LDCs") in the post-2015 process. On June 17, 2014, a 3-year extension and additional $12,900,000 was awarded for core support. On September 15, 2014, an additional $132,000 was awarded for the project Towards a Transformative Post-2015 Agenda. As of September 30, 2017, the Institute has received $22,007,000 and has spent $22,007,000.

The Institute was awarded a five-year 75,000,000 SEK grant on October 1, 2012, by the Swedish International Development Cooperation Agency ("SIDA") to support poverty alleviation, effective management of natural resources and protection of the environment. As of September 30, 2017, the Institute has received $10,707,708 and has spent $10,707,708.

The Institute was awarded a two-year 15,000,000 DKK grant in July of 2013, by the Danish Ministry of Foreign Affairs that will support the Institute's core funding activities and Global Green Growth Forum. In March 2015, an additional 22,500,000 DKK was granted to support the Institute's Strategic Plan 2014-2017 "Scaling our Impact in Urgent Times" and extended the grant period through June 2017. As of September 30, 2017, the Institute has received $6,112,861 and has spent $5,554,606.

The Institute was awarded a one-year contract of 200,000 EUR in June 2013, by Irish Aid to support governance, adaptation, environmental mainstreaming and food and water security initiatives in Africa. In November 2013, an additional one-year contract of 200,000 EUR was awarded for support of the Adaptation and Financial Accountability Project in Uganda and Zambia. In August 2014, the Institute was awarded an additional one-year contract of 500,000 EUR for continuation of activities in particular those geared towards Sub-Saharan Africa. In July 2015, an additional 600,000 EUR was pledged for continuation of the work for another year as outlined in the Institute Strategic Plan 2014-2017. In October 2016, the Institute was awarded an additional three-year contract of 1,800,000 EUR in support of advancing transformative solutions for climate change mitigation and adaptation in developing world. As of September 30, 2017, the Institute has received and spent the entire grant amount of $2,492,410.

In February 2015, the Children's Investment Fund Foundation awarded the Institute a $2,020,796 grant for the first year of a proposed three-year program to assist the Brazilian government and cities in planning and implementing sustainable transport and development projects. In May 2016, the year 2 grant of $944,554 was awarded for project running from January 1, 2016 through December 31, 2016. With achievement of an agreed upon set of key performance indicators and deliverables, an additional $3,261,793 will be awarded for the final year from January 1, 2017 through December 31, 2017. As of September 30, 2017, the Institute has received $4,596,430 and has spent $4,428,522.

NOTE K—SIGNIFICANT CONTRIBUTIONS —Continued

In April 2015, the Children's Investment Fund Foundation awarded the Institute a $1,976,717 grant for the first year of a proposed three year-program to assist the government in mitigating GHG emissions from the transport sector in Chinese cities. In September 2016, the year 2 grant of $1,856,062 was awarded for project running from April 1, 2016 through March 31, 2017. With achievement of an agreed upon set of Key Performance Indicators, deliverables and Annual Review, an additional $1,236,221 will be awarded for the final year from April 2017 through February 28, 2018. As of September 30, 2017, the Institute has received $3,265,663 and has spent $3,256,331.

In August 2015, the Children's Investment Fund Foundation awarded the Institute a $155,567 grant to support the launching of the MRV trust fund initiative. In June 2016, an additional $111,849 was awarded to the Institute for the same project. In January 2017, an additional $51,660 was awarded to the Institute for the same project. As of September 30, 2017, the Institute has received and spent the full amount of $319,076.

In November 2015, the Children's Investment Fund Foundation awarded the Institute a $3,720,000 grant to transform and scale up restoration efforts in Brazil. As of September 30, 2017, the Institute has received $2,489,805 and has spent $3,534,447.

In April 2015, the Inter-American Development Bank awarded the Institute the first year of a three-year grant of up to $2,336,419 to promote the development and transfer of environmentally sound technologies in Latin America and the Caribbean to reduce GHG emissions and reduce the regions vulnerability to climate change in specific sectors. Year 1 of the project will run from April 27, 2015 through April 26, 2016 with an approved budget of $642,684. The subsequent two years of activities and remaining budget of $1,693,735 will be undertaken and disbursed upon successful completion of year one and approval of the subsequent years' workplans. As of September 30, 2017, the Institute has received $1,542,561 and has spent $1,206,999.

The Institute was awarded a three-year contract of $1,120,161 in July 2014, by the United Nations Environment Programme ("UNEP") to provide support to developing countries in strengthening their national capacities to manage climate financing. In February 2016, an additional $436,730 was awarded to the Institute for additional activities to be performed in this project. As of September 30, 2017, the Institute has received $1,552,742 and has spent $1,556,891.

The Institute initiates and completes a substantial portion of its projects within the Food Forests & Water, Governance Center and Climate Programs pursuant to cooperative agreements and contracts from the U.S. Agency for International Development. The revenue pursuant to these cooperative agreements and contracts was $4,277,708 and $6,959,449 for the years ended September 30, 2017 and 2016, respectively. Such revenue accounted for approximately 4.60% and 7.82% of total federal and non-federal grants, contributions, and cooperative agreement revenues during the years ended September 30, 2017 and 2016, respectively.

NOTE L—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, 2017 and 2016, totaled $1,921,872 and $1,662,090, respectively.

NOTE M—RELATED PARTIES

During the year ended September 30, 2014, a board member provided a grant in the amount of $30,500,000 conditioned upon meeting certain annual milestones through June 1, 2020. As of September 30, 2017, $20,250,000 of this grant has been received and recognized as grant revenue, $5,250,000 of which was received and recognized during the year ended September 30, 2017.

Additional board member contributions of $337,057 and $299,100 were recognized for the years ended September 30, 2017 and 2016, respectively.

NOTE N—SUBSEQUENT EVENTS

The Institute evaluated its September 30, 2017 consolidated financial statements for subsequent events through March 1, 2018, the date the 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 Information

World Resources Institute and Subsidiaries

Schedule of Functional Expenses

Year ended September 30, 2017

	Food, Forests and Water	Cities and Transport	Climate	Energy	Governance, Finance and Business Centers	Shared and Special Projects	Total Program Expenses	Administration	Development	Total Expenses
Salaries	$ 7,435,816	$ 4,850,022	$ 4,537,088	$ 1,107,097	$ 3,074,224	$ 2,934,650	$ 23,938,897	$ 2,873,058	$ 1,302,176	$ 28,114,131
Fringe Benefits	3,216,742	1,907,197	1,947,367	445,741	1,337,470	1,222,671	10,077,188	1,221,362	568,947	11,867,497
Research Expenses	7,387,119	1,676,976	728,813	207,928	268,558	708,110	10,977,504	278,287	24,632	11,280,423
Conference Expenses	307,120	433,748	451,577	28,278	140,258	38,364	1,399,345	146,529	77,988	1,623,862
Publication Expenses	199,997	160,659	313,830	47,387	148,425	372,615	1,242,913	15,357	63,383	1,321,653
Communication Expenses	1,501,599	62,698	509,516	117,886	7,300	188,366	2,387,365	—	7,647	2,395,012
Travel	1,113,839	1,053,398	730,463	180,677	377,714	314,548	3,770,639	225,933	107,000	4,103,572
Occupancy	833,838	569,182	513,709	120,205	328,135	340,077	2,705,146	342,414	135,041	3,182,601
Other Direct Costs	456,781	248,371	275,243	37,093	144,439	43,914	1,205,841	1,969,166	144,718	3,319,725
Subgrants	12,119,664	8,782,684	774,036	526,103	463,212	890,321	23,556,020	—	—	23,556,020
Rent	5,678	2,772	2,531	580	1,473	1,559	14,593	—	615	15,208
Library and information services	83,543	40,788	37,236	8,529	21,679	22,933	214,708	—	9,047	223,755
Indirect Salaries	594,285	290,150	264,882	60,673	154,217	163,131	1,527,338	—	64,358	1,591,696
Indirect Benefits	250,953	122,524	111,854	25,621	65,123	68,887	644,962	—	27,177	672,139
Subgrant Pool Salaries	406,199	294,358	25,942	17,633	15,525	29,840	789,497	—	—	789,497
Subgrant Pool Benefits	182,384	132,167	11,648	7,917	6,971	13,398	354,485	—	—	354,485
Subgrant Pool Other Costs	76,065	55,122	4,858	3,302	2,907	5,588	147,842	—	—	147,842
Supplies and materials	100,143	48,893	44,635	10,224	25,987	27,489	257,371	—	10,845	268,216
Postage	63	31	28	6	16	17	161	—	7	168
Telephone and cables	110,380	53,891	49,198	11,269	28,644	30,299	283,681	—	11,954	295,635
Equipment rental and maintenance	277,981	135,720	123,901	28,380	72,136	76,306	714,424	—	30,104	744,528
Other Indirect	239,246	116,808	106,636	24,425	62,084	65,673	614,872	—	25,909	640,781
Depreciation	737,975	360,305	328,928	75,343	191,505	202,574	1,896,630	—	79,919	1,976,549
Total Expenses	37,637,410	21,398,464	11,893,919	3,092,297	6,938,002	7,761,330	88,721,422	7,072,106	2,691,467	98,484,995
Allocation of administration costs	2,681,317	1,309,111	1,195,107	273,745	695,802	736,022	6,891,104	(7,072,106)	290,374	—
Total Expenses After G&A Allocations	40,318,727	22,707,575	13,089,026	3,366,042	7,633,804	8,497,352	95,612,526	—	2,981,841	98,484,995

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

World Resources Institute and Subsidiaries

Schedule of Functional Expenses

Year ended September 30, 2016

	Food, Forests and Water	Cities and Transport	Climate	Energy	Governance, Finance and Business Centers	Shared and Special Projects	Total Program Expenses	Administration	Development	Total Expenses
Salaries	$ 5,426,633	$ 4,921,350	$ 3,548,098	$ 751,550	$ 3,176,719	$ 2,733,511	$ 20,557,861	$ 2,237,598	$ 1,036,010	$ 23,831,469
Fringe Benefits	2,242,888	1,936,966	1,460,745	309,887	1,329,355	1,079,151	8,358,992	930,253	439,047	9,728,292
Research Expenses	1,771,241	1,694,444	872,163	71,831	522,120	1,875,606	6,807,405	105,662	43,564	6,956,631
Conference Expenses	562,084	449,876	285,104	32,844	132,496	100,836	1,563,240	79,763	24,583	1,667,586
Publication Expenses	343,004	346,022	186,797	45,244	153,841	360,873	1,435,781	46,010	25,566	1,507,357
Communication Expenses	1,509,355	64,779	187,837	147,792	7,559	435,742	2,353,064	295	—	2,353,359
Travel	939,863	1,040,596	510,511	81,668	447,152	409,470	3,429,260	270,192	87,552	3,787,004
Occupancy	760,947	680,611	459,591	89,843	392,090	332,655	2,715,737	321,135	133,868	3,170,740
Other Direct Costs	348,191	258,003	169,300	28,270	142,863	33,806	980,433	1,638,987	83,891	2,703,311
Subgrants	12,508,734	8,687,161	1,228,709	291,656	697,551	3,334,024	26,747,835	—	—	26,747,835
Rent	(74,635)	(61,154)	(41,226)	(8,368)	(33,840)	(39,516)	(258,739)	—	(10,060)	(268,799)
Library and information services	52,384	42,922	28,935	5,873	23,751	27,735	181,600	—	7,061	188,661
Indirect Salaries	418,710	343,077	231,279	46,945	189,844	221,688	1,451,543	—	56,436	1,507,979
Indirect Benefits	175,811	144,054	97,111	19,712	79,713	93,084	609,485	—	23,697	633,182
Subgrant Pool Salaries	477,241	331,438	46,878	11,127	26,613	127,202	1,020,499	—	—	1,020,499
Subgrant Pool Benefits	203,818	141,549	20,021	4,752	11,366	54,325	435,831	—	—	435,831
Subgrant Pool Other Costs	75,977	52,765	7,463	1,772	4,237	20,251	162,465	—	—	162,465
Supplies and materials	57,031	46,729	31,502	6,394	25,858	30,195	197,709	—	7,687	205,396
Postage	783	642	433	88	355	415	2,716	—	106	2,822
Telephone and cables	115,835	94,912	63,983	12,987	52,520	61,329	401,566	—	15,613	417,179
Equipment rental and maintenance	249,246	204,224	137,674	27,945	113,009	131,965	864,063	—	33,595	897,658
Other Indirect	96,704	79,236	53,416	10,843	43,846	51,200	335,245	—	13,034	348,279
Depreciation	452,008	370,360	249,672	50,679	204,941	239,318	1,566,978	—	60,924	1,627,902
Total Expenses	28,713,853	21,870,562	9,835,996	2,041,334	7,743,959	11,714,865	81,920,569	5,629,895	2,082,174	89,632,638
Allocation of administration costs	1,563,213	1,280,845	863,459	175,266	708,764	827,650	5,419,197	(5,629,895)	210,698	—
Total Expenses After G&A Allocations	30,277,066	23,151,407	10,699,455	2,216,600	8,452,723	12,542,515	87,339,766	—	2,292,872	89,632,638

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