



**Consolidated Financial Statements and Report of  
Independent Certified Public Accountants**

**World Resources Institute and Subsidiary**

**September 30, 2011 and 2010**

# **World Resources Institute and Subsidiary**

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## Report of Independent Certified Public Accountants

Board of Directors  
World Resources Institute and Subsidiary

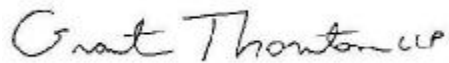
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We have audited the accompanying consolidated statements of financial position of the World Resources Institute and Subsidiary (the Institute) as of September 30, 2011 and 2010, and the related consolidated statements of activities and changes in net assets, and the consolidated cash flows for the years then ended. These consolidated financial statements are the responsibility of the Institute's management. 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 as established by the American Institute of Certified Public Accountants 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Institute as of September 30, 2011 and 2010, and the consolidated changes in its net assets and its consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 6, 2012, on our consideration of the Institute's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Institute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.



McLean, Virginia  
February 6, 2012

# World Resources Institute and Subsidiary

## Consolidated Statements of Financial Position

<i>Year ended September 30,</i>	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,078,140	\$ 2,551,049
Cash restricted—held for others (Note H)	18,677	20,280
<b>Total cash and cash equivalents</b>	<b>3,096,817</b>	<b>2,571,329</b>
Grants, pledges and contracts receivable, net (Note D)	25,149,178	16,342,077
Investments (Note B)	34,914,357	37,118,015
Other assets	608,433	606,441
Furniture, fixtures, leases, and equipment, net (Note E)	1,455,786	1,167,495
<b>Total Assets</b>	<b>65,224,571</b>	<b>57,805,357</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	2,263,867	2,076,453
Accrued salaries and benefits	1,574,068	1,205,593
Obligation under capital leases (Note F)	22,618	35,705
Deferred rent	181,538	206,293
Deferred revenue	306,424	825,983
Funds held for others	18,677	20,280
Note payable	955,532	—
<b>Total Liabilities</b>	<b>5,322,724</b>	<b>4,370,307</b>
<b>Net Assets</b>		
Unrestricted:		
Operating	836,645	508,797
Designated—working capital reserve	2,627,607	2,627,607
	3,464,252	3,136,404
Temporarily restricted	31,099,829	24,960,880
Permanently restricted	25,337,766	25,337,766
<b>Total Net Assets</b>	<b>59,901,847</b>	<b>53,435,050</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 65,224,571</b>	<b>\$ 57,805,357</b>

*The accompanying notes are an integral part of these statements.*

## World Resources Institute and Subsidiary

### Consolidated Statements of Activities and Changes in Net Assets

*Year ended September 30, 2011*

	Unrestricted			Temporarily Restricted	Permanently Restricted	Total
	Operating	Designated	Total			
<b>Revenues</b>						
Grants/contributions and contracts	\$ 18,014,147	\$ —	\$ 18,014,147	\$ 25,075,965	\$ —	\$ 43,090,112
Federal grants and cooperative agreements	4,361,831	—	4,361,831	—	—	4,361,831
Investment return, net (Note B)	—	—	—	(589,847)	—	(589,847)
Publications	4,026	—	4,026	—	—	4,026
Other	23,185	—	23,185	—	—	23,185
Support from endowment income	2,213,309	—	2,213,309	(2,213,309)	—	—
Net assets released from program restrictions	16,133,860	—	16,133,860	(16,133,860)	—	—
<b>Total Revenue</b>	<b>40,750,358</b>	<b>—</b>	<b>40,750,358</b>	<b>6,138,949</b>	<b>—</b>	<b>46,889,307</b>
<b>Expenses</b>						
Policy research, technical support, and communications programs	34,831,173	—	34,831,173	—	—	34,831,173
Administration	3,597,694	—	3,597,694	—	—	3,597,694
Development	1,993,643	—	1,993,643	—	—	1,993,643
<b>Total Expenses</b>	<b>40,422,510</b>	<b>—</b>	<b>40,422,510</b>	<b>—</b>	<b>—</b>	<b>40,422,510</b>
<b>Change in Net Assets from Operations</b>	<b>327,848</b>	<b>—</b>	<b>327,848</b>	<b>6,138,949</b>	<b>—</b>	<b>6,466,797</b>
<b>Net Assets, beginning of year</b>	<b>508,797</b>	<b>2,627,607</b>	<b>3,136,404</b>	<b>24,960,880</b>	<b>25,337,766</b>	<b>53,435,050</b>
<b>Net Assets, end of year</b>	<b>\$ 836,645</b>	<b>\$ 2,627,607</b>	<b>\$ 3,464,252</b>	<b>\$ 31,099,829</b>	<b>\$ 25,337,766</b>	<b>\$ 59,901,847</b>

*The accompanying notes are an integral part of this statement.*

## World Resources Institute and Subsidiary

### Consolidated Statements of Activities and Changes in Net Assets

*Year ended September 30, 2010*

	Unrestricted			Temporarily Restricted	Permanently Restricted	Total
	Operating	Designated	Total			
<b>Revenues</b>						
Grants/contributions and contracts	\$ 17,595,655	\$ —	\$ 17,595,655	\$ 16,882,290	\$ —	\$ 34,477,945
Federal grants and cooperative agreements	4,397,908	—	4,397,908	—	—	4,397,908
Investment return, net (Note B)	—	184,287	184,287	2,382,014	—	2,566,301
Publications	7,277	—	7,277	—	—	7,277
Other	(66,971)	—	(66,971)	—	—	(66,971)
Support from endowment income	1,379,407	—	1,379,407	(1,379,407)	—	—
Net assets released from program restrictions	14,062,365	—	14,062,365	(14,062,365)	—	—
<b>Total Revenue</b>	<b>37,375,641</b>	<b>184,287</b>	<b>37,559,928</b>	<b>3,822,532</b>	<b>—</b>	<b>41,382,460</b>
<b>Expenses</b>						
Policy research, technical support, and communications programs	31,471,899	—	31,471,899	—	—	31,471,899
Administration	3,570,559	—	3,570,559	—	—	3,570,559
Development	2,333,491	—	2,333,491	—	—	2,333,491
<b>Total Expenses</b>	<b>37,375,949</b>	<b>—</b>	<b>37,375,949</b>	<b>—</b>	<b>—</b>	<b>37,375,949</b>
<b>Change in Net Assets from Operations</b>	<b>(308)</b>	<b>184,287</b>	<b>183,979</b>	<b>3,822,532</b>	<b>—</b>	<b>4,006,511</b>
<b>Non Operating Activity</b>						
Amounts returned to donors	400,000	—	400,000	(400,000)	—	—
<b>Net Assets, beginning of year</b>	<b>109,105</b>	<b>2,443,320</b>	<b>2,552,425</b>	<b>21,538,348</b>	<b>25,337,766</b>	<b>49,428,539</b>
<b>Net Assets, end of year</b>	<b>\$ 508,797</b>	<b>\$ 2,627,607</b>	<b>\$ 3,136,404</b>	<b>\$ 24,960,880</b>	<b>\$ 25,337,766</b>	<b>\$ 53,435,050</b>

*The accompanying notes are an integral part of this statement.*

# World Resources Institute and Subsidiary

## Consolidated Statements of Cash Flows

<i>Year ended September 30,</i>	<b>2011</b>	<b>2010</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 6,466,797	\$ 4,006,511
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	502,999	447,870
Loss from disposal of equipment	1,276	70,552
Realized gain from sale of investments	(2,177,210)	(974,032)
Unrealized loss (gain) on investments	3,079,367	(1,234,961)
Changes in operating assets and liabilities:		
Cash restricted – held for others	1,603	1,468,585
Grants and contracts receivable	(8,807,101)	(2,360,705)
Other assets	(1,993)	(67,505)
Accounts payable	187,415	809,574
Accrued salaries and benefits	368,475	495,445
Funds held for others	(1,603)	(1,468,585)
Deferred rent	(24,755)	(24,755)
Deferred revenue	(519,559)	762,775
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(924,289)</b>	<b>1,930,769</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	2,725,629	18,576,934
Purchase of investments	(1,424,128)	(18,468,521)
Purchase of furniture, fixtures, and equipment	(792,566)	(471,030)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>508,935</b>	<b>(362,617)</b>
<b>Cash Flows from Financing Activities</b>		
Borrowings on note payable	2,000,000	—
Payments on note payable	(1,044,468)	—
Payments on capital lease obligations	(13,087)	(36,939)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>942,445</b>	<b>(36,939)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>527,091</b>	<b>1,531,213</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,551,049</b>	<b>1,019,836</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 3,078,140</b>	<b>\$ 2,551,049</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 3,300	\$ 5,236
<b>Non Cash Investing and Financing Activities</b>		
Equipment acquired under capital lease	\$ —	\$ (37,671)
Capital lease obligation	—	37,671

*The accompanying notes are an integral part of these statements.*



# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements

*September 30, 2011 and 2010*

### NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Organization and Principles of Consolidation***

World Resources Institute (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 an approximately 200-member interdisciplinary staff, strong in sciences, and augmented by a network of advisors, collaborators, international fellows, and cooperating institutes in more than 50 countries. The Institute currently focuses on four goals: (1) Governance & Access, (2) People & Ecosystems, (3) Climate & Energy, and (4) Markets & Enterprise.

The Internal Revenue Service (IRS) has classified the Institute as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), as a publicly supported not-for-profit organization.

The World Resources Institute Fund (WRIF) is a not-for-profit organization created in 1986 as a supporting organization to the Institute, and is included in these consolidated financial statements. Prior to fiscal year 2002, and after 2003, WRIF had no activities. In 2002 and 2003, WRIF activities included the operation of a capital campaign. Such activities have been shifted to the Institute since. WRIF is currently used to record investment activities for the African Centre for Technology Studies (ACTS) endowment (see note H). The IRS has classified WRIF as exempt from federal income taxes under Section 501(c)(3) of the IRC. WRIF is an entity described under Section 509(a)(3) of the IRC and, therefore, not a private foundation.

#### ***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.

#### ***Classification of Net Assets***

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

***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.

***Designated—Other***—Amounts designated by the Board of Directors to be used in a manner similar to an endowment. No amounts have been designated to this category as of September 30, 2011 and 2010.

***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 unrestricted and are used for operations in accordance with a spending policy approved by the Board of Directors.

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

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*September 30, 2011 and 2010*

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### NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

#### ***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 is 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.

#### ***Cash and Cash Equivalents***

For purposes of reporting cash flows, the Institute considers all highly liquid investment instruments purchased with an initial maturity of three months or less to be cash equivalents except for cash and cash equivalents held in investment accounts

The Institute has cash in foreign accounts totaling \$179,977 and \$61,880 in 2011 and 2010, respectively.

#### ***Investments***

The Institute records investments that qualify as securities as defined in FASB Accounting Standards Codification™ (ASC) 320, *Investments – Debt and Equity Securities* at fair value. Gains and losses on investments, realized and unrealized, are recorded as of trade date.

The Institute's cash and money market accounts held in its investment portfolio are carried at amortized cost. These investments do not qualify as securities as defined in ASC 320, *Investments – Debt and Equity Securities*, thus the fair value disclosures required by ASC 820, *Fair Value Measurements and Disclosures*, are not provided.

#### ***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.

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*September 30, 2011 and 2010*

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**NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

***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.

***Equity Securities***

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

***Debt Securities***

When quoted prices are available in an active market, debt securities are classified within Level 1 of the fair value hierarchy. Quoted prices in inactive markets are classified within Level 2. As of September 30, 2011 and 2010, all debt securities were valued using quoted prices in an active market.

***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 classified within Level 2 of the fair value hierarchy; otherwise, they are classified within Level 3 of the fair value hierarchy.

***Furniture, Fixtures and Equipment***

Furniture, fixtures, and equipment are recorded at cost. 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 Payable***

The Institute took a margin loan of \$2 million against its investments in May 2011. As of September 30, 2011 the unpaid portion of this loan amounted to \$955,532.

*September 30, 2011 and 2010*

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**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***

To stabilize the financial markets, congress provided unlimited federal guarantees on all deposits held in non-interest bearing accounts. This guarantee expired on December 31, 2009. As a result, the Institute moved \$3,000,000 to a secure savings account at Merrill Lynch. The balance in the secure savings account on September 30, 2011 was \$1,783,808. The Institute has not incurred any losses on these funds.

***Income Tax***

The Institute has adopted guidance issued by the Financial Accounting Standards Board (FASB) which 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. Prior to this pronouncement, the determination of when to record a liability for a tax exposure was based on whether a liability was considered probable and reasonably estimable in accordance with guidance concerning recording contingencies.

***Impact of Recent Accounting Standards/Pronouncements***

Effective for the year ended September 30, 2011, the Institute adopted new guidance that creates a single model to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in its 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. The impact of the adoption of this guidance did not have a material effect on the financial statements of the Institute. Prior to the adoption of this guidance, the determination of when to record a liability for a tax exposure was based on whether a liability was considered probable and reasonably estimable in accordance with guidance concerning recording contingencies.

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

September 30, 2011 and 2010

### NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

#### *Impact of Recent Accounting Standards/Pronouncements—Continued*

In January 2010, the FASB issued guidance that clarifies existing disclosures and requires new disclosures about fair value measurements. The clarifications and the requirement to disclose the amounts and reasons for significant transfers between Level 1 and Level 2 and significant transfers into and out of Level 3 of the fair value hierarchy are effective for periods beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which is effective for fiscal years beginning after December 31, 2010. This guidance which only affected disclosures and does not impact the Institute's financial statements, was partially adopted for the year ended September 30, 2011. Adoption of the expanded disclosure requirements for Level 3 activity will not impact the Institute's financial statements when adopted.

### NOTE B—INVESTMENTS

Investments were as follows as of September 30:

	2011	2010
Equity securities	\$ 10,499,112	\$ 11,792,538
Debt securities	2,700,033	1,675,773
Alternative investments		
Hedge funds	13,786,341	13,771,960
Fixed income fund	1,119,013	1,075,714
Emerging market fund	1,846,791	2,220,156
Real estate fund	4,895,413	4,952,724
Subtotal	\$ 34,846,703	\$ 35,488,865
Money market funds	67,654	1,629,150
	\$ 34,914,357	\$ 37,118,015

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

	2011	2010
Realized gains	\$ 2,177,210	\$ 974,032
Unrealized (loss) gains	(3,079,367)	1,234,961
Dividends and interest	422,812	505,839
Investment management fees and foreign taxes	(110,352)	(148,531)
Total	\$ (589,847)	\$ 2,566,301

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### NOTE C—FAIR VALUE

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the Statement of Financial Position at September 30, 2011.

	Level 1	Level 2	Level 3	Total
Equity securities	\$ 10,499,112	\$ —	\$ —	\$ 10,499,113
Debt securities	2,700,033	—	—	2,700,033
Alternative investments:				
Directional/absolute hedge funds	—	—	13,786,341	13,786,341
Inflation hedge fund	—	4,895,413	—	4,895,413
Fixed income fund	—	—	1,119,013	1,119,013
Emerging market fund	—	—	1,846,791	1,846,791
	<u>\$ 13,199,145</u>	<u>\$ 4,895,413</u>	<u>\$ 16,752,145</u>	<u>\$ 34,846,703</u>

The following table summarizes the valuation of financial instruments at fair value on a recurring basis in the Statement of Financial Position at September 30, 2010.

	Level 1	Level 2	Level 3	Total
Equity securities	\$ 11,792,538	\$ —	\$ —	\$ 11,792,538
Debt securities	1,675,773	—	—	1,675,773
Alternative investments:				
Directional/absolute hedge funds	—	—	13,771,960	13,771,960
Inflation hedge fund	—	—	4,952,724	4,952,724
Fixed income fund	—	—	1,075,714	1,075,714
Emerging market fund	—	—	2,220,156	2,220,156
	<u>\$ 13,468,311</u>	<u>\$ —</u>	<u>\$ 22,020,554</u>	<u>\$ 35,488,865</u>

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### NOTE C—FAIR VALUE—Continued

The following table summarizes the changes in fair value of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended September 30, 2011.

	Beginning Balance at 10/1/10	Total Realized/ Unrealized Gains	Purchases, Issuances, and Sales (Net)	Transfers Out to Level 2	Ending Balance at 9/30/11
Hedge funds	\$ 13,771,960	\$ 482,264	\$ (467,883)	\$ —	\$ 13,786,341
Inflation hedge fund	4,952,724	(57,311)	—	(4,895,413)	—
Fixed income fund	1,075,714	43,299	—	—	1,119,013
Emerging market fund	2,220,156	(373,365)	—	—	1,846,791
	<u>\$ 22,020,554</u>	<u>\$ 948,887</u>	<u>\$ (467,883)</u>	<u>\$ (4,895,413)</u>	<u>\$ 16,752,145</u>

The following table summarizes the changes in fair value of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended September 30, 2010, including the additional requirement to classify securities by major category defined as the major security type classifications within ASC 320.

	Beginning Balance at 10/1/09	Total Realized/ Unrealized Gains	Purchases, Issuances, and Sales (Net)	Ending Balance at 9/30/10
Hedge funds	\$ 15,081,810	\$ 697,191	\$ (2,007,041)	\$ 13,771,960
Inflation hedge fund	—	266,147	4,686,577	4,952,724
Emerging market fund	2,100,524	366,200	(246,548)	2,220,156
Equity fund	4,427,348	344,866	(4,772,214)	—
	<u>\$ 21,609,682</u>	<u>\$ 1,440,162</u>	<u>\$ (9,277,884)</u>	<u>\$ 22,020,554</u>

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### NOTE C—FAIR VALUE—Continued

The table below presents additional information for the Institute's investments, as of September 30, 2011, whose fair value is estimated using the practical expedient of reported net asset value (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 9/30/2011	Fair Value at 9/30/2010	Unfunded Commitments	Expected Liquidation Term	Redemption Terms	Redemption Restrictions	Redemption Restrictions at 9/30/11
					Annually (1 fund), Quarterly (3 funds), and Closed for Redemption	Between 60 - 105 days notice (3 funds) and Gated (2 funds)	2 funds are Gated
Hedge funds (a)	\$ 13,786,341	\$ 13,771,960	None	Not applicable	(1 fund)		
Inflation hedge fund (b)	—	4,952,724	None	Not applicable	Monthly	None	None
Fixed income fund (c)	1,119,013	1,075,714	None	Not applicable	Monthly	15 days notice	None
Emerging market fund (d)	1,846,791	2,220,156	None	Not applicable	Monthly	30 days notice	None
	<u>\$ 16,752,145</u>	<u>\$ 22,020,554</u>					

- (a) This class includes several 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 funds that invest primarily in international bonds. The fair values of these investments have been estimated 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 an investment in an inflation hedge fund whose objective is long-term total return in excess of a customized blended benchmark. The fair value of this investment has been estimated using the NAV per share of the fund.



# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### 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:

	2011	2010
U.S. government	4%	4%
Foundations	10%	38%
Foreign governments	37%	20%
International organizations	4%	17%
Corporations, individuals, and others	45%	21%
	100%	100%

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

	2011	2010
Less than one year	\$ 21,771,061	\$ 14,395,141
One to five years	3,656,182	2,168,864
Allowance for doubtful accounts	(204,062)	(156,973)
Unamortized discount on receivables	(74,003)	(64,955)
Grants, pledges, and contracts receivable, net	\$ 25,149,178	\$ 16,342,077

Contributions that are to be received over multiple years are discounted to present value using the risk free rate of return, for the year in which the contributions were pledged. Allowance for doubtful accounts is based on the largest write-off as a percentage of revenue over the last 10 years.

### NOTE E—FURNITURE, FIXTURES, LEASES AND EQUIPMENT

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

	2011	2010
Furniture and equipment	\$ 4,053,420	\$ 3,403,404
Leasehold improvements	1,188,944	1,033,171
Equipment under capital lease agreements	108,734	123,233
Artwork	8,825	8,825
	5,359,923	4,568,633
Less: accumulated depreciation and amortization	(3,904,137)	(3,401,138)
Furniture, fixtures, and equipment, net	\$ 1,455,786	\$ 1,167,495

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### NOTE F—OBLIGATIONS UNDER CAPITAL LEASES

The Institute is obligated under capital lease agreements for certain copy equipment. The aggregate discounted lease payments are recorded as a liability. Obligations under capital leases and the fair market values of the related leased assets are capitalized and amortized over the related lease periods. Total assets capitalized pursuant to such agreements, and the related accumulated amortization at September 30, were as follows:

	2011	2010
Equipment under capital lease	\$ 108,733	\$ 123,233
Less: accumulated amortization	(78,313)	(69,115)
Equipment under capital lease, net	\$ 30,420	\$ 54,118

The future minimum lease payments under the capital lease agreements and the present value of the minimum lease payments and interest are as follows:

<i>September 30,</i>	
2012	\$ 6,928
2013	6,928
2014	6,928
2015	3,463
Total future minimum lease payments	24,267
Less: amount representing interest	(1,629)
Present value of minimum lease payments	\$ 22,618

Interest expense related to the capital leases was \$3,300 and \$5,236 respectively, for the years ended September 30, 2011 and 2010.

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### NOTE G—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, under an agreement which expires in February 2019. As part of the office building lease, the Institute received two months of free rent. This rent abatement is being amortized on a straight-line basis over the life of the lease as a reduction of rent expense.

The future minimum lease payments as of September 30, 2011, are as follows:

<i>September 30,</i>	
2012	\$ 2,704,931
2013	2,727,286
2014	2,714,894
2015	2,775,971
2016	2,838,420
2016 and thereafter	6,879,749
Total	\$ 20,641,251

Rental expense for these leases was \$2,590,666 and \$2,219,540 for the years ended September 30, 2011 and 2010, respectively.

### NOTE H—FUNDS HELD FOR OTHERS

The Ford Foundation gave a grant (for endowment) of \$1,200,000 to ACTS (an unrelated organization) in Nairobi, Kenya. ACTS requested the Institute to hold the funds in an interest-bearing account until further notice. The funds were returned in July 2010 per the request of ACTS' Board of Directors.

As of September 30, 2011, the Institute held \$18,677 of pass-through funding for another Organization.

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### NOTE I—TEMPORARILY RESTRICTED NET ASSETS

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

	2011	2010
Embarq	\$ 3,087,497	\$ 9,349,498
Climate, energy, and pollution	3,087,987	2,244,746
People & Ecosystems	6,492,485	4,695,460
Institutions and governance	2,451,180	3,514,231
Market & Enterprise	1,965,056	657,636
Special studies	13,514,645	764,045
Communication/World Resources Report	500,979	474,728
Unspent earnings on endowment	—	3,260,536
Total	\$ 31,099,829	\$ 24,960,880

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

	2011	2010
Embarq	\$ 7,538,723	\$ 1,707,147
Climate, Energy, and Pollution	2,203,711	3,746,694
People & Ecosystems	3,143,890	3,312,206
Institutions and Governance	1,895,498	2,193,026
Market & Enterprise	661,666	1,649,167
Special studies/Innovation	300,621	832,196
Communication & World Resources Report	389,751	621,929
Total	\$ 16,133,860	\$ 14,062,365

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*September 30, 2011 and 2010*

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**NOTE J—PERMANENTLY RESTRICTED NET ASSETS**

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 unrestricted designated revenue.

In 2003 and 2007, two individuals contributed \$100,000 and \$250,000 respectively for the purpose of creating endowment funds to enable the Institute to hire interns. Investment earnings from the endowment funds are recognized as unrestricted designated revenue and used to pay for interns.

***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" (the Act), 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 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.

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

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*September 30, 2011 and 2010*

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### NOTE J—PERMANENTLY RESTRICTED NET ASSETS—Continued

#### *Endowment Investment Policies—Continued*

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.

#### *Endowment Spending Policy*

The Board of Directors approves an operating budget and associated endowment draw annually. The Institute spending guideline shall normally be 5% of the trailing 12 quarter average market value of the investments. The Board may approve a deviation from the 5% guideline if deemed prudent.

During 2011 and 2010, respectively, \$2,213,309 and \$1,379,407 of these earnings were transferred from temporarily restricted to unrestricted operating net assets in accordance with the policy statement referred to above.

#### *Funds with Deficiencies*

From time to time, the fair value of assets associated with the individual donor restricted endowment funds may fall below the level that the donor requires the Institute to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. As of September 30, 2011 and 2010, the Institute had no deficiencies of this nature reported in unrestricted net assets.

**World Resources Institute and Subsidiary**

Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

**NOTE J—PERMANENTLY RESTRICTED NET ASSETS—Continued**

Endowment Net Asset Composition by Type of Fund as of September 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ 2,627,607	\$ 457,380	\$ 25,337,766	\$ 28,422,753

Changes in Endowment Net Assets for the Year Ended September 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 2,627,607	\$ 457,380	\$ 25,337,766	\$ 28,422,753
Investment return				
Investment income	—	312,310	—	312,310
Net appreciation (realized and unrealized)	—	(902,157)	—	(902,157)
Total investment return	—	(589,847)	—	(589,847)
Appropriation of endowment assets for expenditure	—	(2,213,309)	—	(2,213,309)
Endowment net assets, end of year	\$ 2,627,607	\$ 457,380	\$ 25,337,766	\$ 28,422,753

# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

*September 30, 2011 and 2010*

### NOTE J—PERMANENTLY RESTRICTED NET ASSETS—Continued

Endowment Net Asset Composition by Type of Fund as of September 30, 2010:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor-restricted endowment funds	\$ 2,627,607	\$ 3,260,536	\$ 25,337,766	\$ 31,225,909

Changes in Endowment Net Assets for the Year Ended September 30, 2010:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 2,443,320	\$ 2,257,929	\$ 25,337,766	\$ 30,039,015
Investment return				
Investment income	29,411	388,354	—	417,775
Net appreciation (realized and unrealized)	154,876	1,993,660	—	2,148,536
Total investment return	184,287	2,382,014	—	2,566,301
Appropriation of endowment assets for expenditure	—	(1,379,407)	—	(1,379,407)
Endowment net assets, end of year	\$ 2,627,607	\$ 3,260,536	\$ 25,337,766	\$ 31,225,909



# World Resources Institute and Subsidiary

## Notes to Consolidated Financial Statements—Continued

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*September 30, 2011 and 2010*

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### NOTE K—SIGNIFICANT CONTRACTS

The Institute was awarded a two-year \$5,600,000 grant on October 1, 2010, by the Netherlands Ministry of Foreign Affairs awarding WRI a core funding grant for the program “Building a Low Carbon and Climate-Resilient Future”. WRI has received \$2,800,000 as of September 30, 2011. A total of \$2,640,975 of this grant has been spent as of September 30, 2011.

The Institute was awarded a two-year 14,000,000 SEK grant in fiscal 2010, by the Swedish International Development Cooperation Agency (SIDA) awarding WRI grant support to include poverty alleviation, effective management of natural resources and protection of the environment. WRI has received \$1,922,566 as of September 30, 2011. A total of \$1,026,010 of this grant has been spent as of September 30, 2011.

The Institute was awarded a 4,000,000 Danish Kroner grant in fiscal 2011, by the Danish Ministry of Foreign Affairs awarding WRI a grant that will support the institute’s core funding activities. WRI has received \$362,976 as of September 30, 2011. A total of \$288,989 of this grant has been spent as of September 30, 2011.

The Institute initiates and completes a substantial portion of its projects within the Institutions & Governance and People & Ecosystems 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 \$3,677,655 and \$3,410,818 for the years ended September 30, 2011 and 2010, respectively. Such revenue accounted for approximately 7.75 percent and 8.77 percent of total federal and non-federal grants, contributions, and cooperative agreement revenues during the years ended September 30, 2011 and 2010, respectively.

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### NOTE L—EMPLOYEE BENEFITS

The Institute contributes either 5 percent or 8 percent (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, 2011 and 2010, was \$972,496 and \$849,765, respectively.

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### NOTE M—SUBSEQUENT EVENTS

The Institute evaluated its September 30, 2011 financial statements for subsequent events through February 6, 2012, the date the financial statements were available to be issued. In October, 2011 the donor requested that the \$250,000 gift made in 2007, be reclassified from endowment to contribution to support two yearly fellowships until the funds are exhausted.

## **Supplemental Information**





**Report of Independent Certified Public Accountants on  
Supplemental Information**

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Board of Directors  
World Resources Institute and Subsidiary

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplemental information on pages 28-29 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

A handwritten signature in cursive script that reads "Grant Thornton LLP".

McLean, Virginia  
February 6, 2012

World Resources Institute and Subsidiary

Schedule of Functional Expenses

Year ended September 30, 2011

	Climate, Energy and Pollution	People & Ecosystems	Embarq Safe Urban Transport	Institutions and Governance	Markets and Enterprise	Special Studies/ Innovations	External Relations	Total Program Expenses	Administration	Development	Total Expenses
Salaries	\$ 3,998,164	\$ 2,994,373	\$ 2,211,054	\$ 1,605,915	\$ 798,027	\$ 316,620	\$ 1,050,126	\$ 12,974,279	\$ 1,864,099	\$ 1,148,589	\$ 15,986,967
Fringe Benefits	887,041	693,326	394,681	380,870	186,255	28,124	246,252	2,816,549	429,712	276,394	3,522,655
Research Expenses	452,549	519,052	949,693	177,340	293,758	314,973	120,352	2,827,717	11,683	6,350	2,845,750
Conference Expenses	121,498	79,699	25,406	105,979	25,632	30,740	43,517	432,471	36,982	14,491	483,944
Publication Expenses	267,164	338,538	137,382	66,355	81,420	6,255	115,165	1,012,279	12,509	37,058	1,061,846
Communication Expenses	6,058	7,821	(2,359)	6,251	8,165	20,549	111,187	157,672	35	18,230	175,937
Travel	394,028	396,408	363,738	261,126	119,664	137,180	63,532	1,735,676	149,771	83,755	1,969,202
Other Direct Costs	38,149	58,105	98,509	25,979	15,431	(9,190)	19,718	246,701	1,092,903	51,706	1,391,310
Subgrants	304,008	2,198,757	3,348,242	1,175,093	416,566	—	67,369	7,510,035	—	—	7,510,035
Rent	678,091	559,589	459,578	289,271	168,114	92,975	194,678	2,442,296	—	180,018	2,622,314
Library and Information Services	35,383	29,200	23,981	15,094	8,772	4,851	10,160	127,441	—	9,393	136,834
Indirect Salaries	180,207	148,714	122,136	76,876	44,677	24,709	51,737	649,056	—	47,841	696,897
Indirect Benefits	37,240	30,732	25,240	15,886	9,233	5,106	10,691	134,128	—	9,886	144,014
Subgrant Pool Salaries	8,930	64,588	98,354	34,518	12,237	—	1,979	220,606	—	—	220,606
Subgrant Pool Benefits	2,138	15,464	23,548	8,264	2,930	—	474	52,818	—	—	52,818
Supplies and Materials	21,315	17,590	14,446	9,093	5,284	2,923	6,120	76,771	—	5,659	82,430
Postage	177	146	120	76	44	24	52	639	—	47	686
Telephone and Cables	60,865	50,228	41,251	25,965	15,090	8,345	17,476	219,220	—	16,158	235,378
Equipment Rental and Maintenance	175,505	144,834	118,949	74,870	43,511	24,064	50,387	632,120	—	46,592	678,712
Other Indirect	17,030	14,054	11,542	7,265	4,222	2,335	4,889	61,337	—	4,521	65,858
Depreciation	139,201	114,874	94,344	59,383	34,511	19,086	39,963	501,362	—	36,955	538,317
<b>Total Expenses</b>	<b>7,824,741</b>	<b>8,476,092</b>	<b>8,559,835</b>	<b>4,421,469</b>	<b>2,293,543</b>	<b>1,029,669</b>	<b>2,225,824</b>	<b>34,831,173</b>	<b>3,597,694</b>	<b>1,993,643</b>	<b>40,422,510</b>
Allocation of administration costs	930,311	767,730	630,520	396,867	230,644	127,557	267,089	3,350,718	(3,597,694)	246,976	—
<b>Total Expenses After G&amp;A Allocations</b>	<b>\$ 8,755,052</b>	<b>\$ 9,243,822</b>	<b>\$ 9,190,355</b>	<b>\$ 4,818,336</b>	<b>\$ 2,524,187</b>	<b>\$ 1,157,226</b>	<b>\$ 2,492,913</b>	<b>\$ 38,181,891</b>	<b>\$ —</b>	<b>\$ 2,240,619</b>	<b>\$ 40,422,510</b>

World Resources Institute and Subsidiary

Schedule of Functional Expenses

Year ended September 30, 2010

	Climate, Energy and Pollution	People & Ecosystems	Embarq Safe Urban Transport	Institutions and Governance	Markets and Enterprise	Special Studies/ Innovations	External Relations	Total Program Expenses	Administration	Development	Total Expenses
Salaries	\$ 3,514,607	\$ 2,512,959	\$ 1,639,663	\$ 1,442,253	\$ 751,401	\$ 70,058	\$ 1,049,352	\$ 10,980,293	\$ 1,895,999	\$ 1,153,741	\$ 14,030,033
Fringe Benefits	851,565	616,827	402,844	354,099	175,530	10,879	260,388	2,672,132	455,200	291,598	3,418,930
Research Expenses	477,758	496,611	1,152,364	140,051	198,706	10,440	68,125	2,544,055	17,635	1,500	2,563,190
Conference Expenses	222,161	67,540	129,307	189,568	44,489	29,636	24,767	707,468	34,014	85,055	826,537
Publication Expenses	137,136	242,436	51,759	142,661	99,120	16,154	240,727	929,993	31,257	87,086	1,048,336
Communication Expenses	57,791	30,261	73,369	17,936	50,572	6,000	85,907	321,836	499	46,895	369,230
Travel	507,146	367,449	431,783	266,070	74,795	45,610	54,392	1,747,245	237,545	181,350	2,166,140
Other Direct Costs	49,759	44,385	62,321	33,748	19,327	13,320	6,703	229,563	898,410	56,842	1,184,815
Subgrants	497,683	2,131,705	1,864,656	1,730,680	534,194	—	39,885	6,798,803	—	—	6,798,803
Rent	585,983	441,001	397,182	260,502	142,413	20,355	180,326	2,027,762	—	191,778	2,219,540
Library and Information Services	39,800	29,953	26,977	17,693	9,673	1,383	12,248	137,727	—	13,026	150,753
Indirect Salaries	157,746	118,717	106,921	70,127	38,337	5,480	48,543	545,871	—	51,626	597,497
Indirect Benefits	35,292	26,560	23,921	15,689	8,577	1,226	10,860	122,125	—	11,550	133,675
Subgrant Pool Salaries	42,515	31,996	28,817	18,900	10,333	1,477	13,083	147,121	—	13,914	161,035
Subgrant Pool Benefits	10,870	8,180	7,367	4,832	2,642	378	3,345	37,614	—	3,557	41,171
Supplies and Materials	28,949	21,787	19,622	12,870	7,036	1,006	8,909	100,179	—	9,474	109,653
Postage	(1,166)	(878)	(791)	(519)	(283)	(41)	(359)	(4,037)	—	(382)	(4,419)
Telephone and Cables	60,019	45,169	40,681	26,682	14,587	2,085	18,470	207,693	—	19,643	227,336
Equipment Rental and Maintenance	217,360	163,581	147,327	96,628	52,825	7,550	66,888	752,159	—	71,137	823,296
Other Indirect	16,508	12,424	11,189	7,339	4,012	573	5,080	57,125	—	5,403	62,528
Depreciation	118,243	88,988	80,145	52,565	28,737	4,107	36,387	409,172	—	38,698	447,870
<b>Total Expenses</b>	<b>7,627,725</b>	<b>7,497,651</b>	<b>6,697,424</b>	<b>4,900,374</b>	<b>2,267,023</b>	<b>247,676</b>	<b>2,234,026</b>	<b>31,471,899</b>	<b>3,570,559</b>	<b>2,333,491</b>	<b>37,375,949</b>
Allocation of administration costs	942,668	709,435	638,944	419,067	229,098	32,745	290,089	3,262,046	(3,570,559)	308,513	—
<b>Total Expenses After G&amp;A Allocations</b>	<b>\$ 8,570,393</b>	<b>\$ 8,207,086</b>	<b>\$ 7,336,368</b>	<b>\$ 5,319,441</b>	<b>\$ 2,496,121</b>	<b>\$ 280,421</b>	<b>\$ 2,524,115</b>	<b>\$ 34,733,945</b>	<b>\$ —</b>	<b>\$ 2,642,004</b>	<b>\$ 37,375,949</b>