

Consolidated Financial Statements and Report of Independent
Certified Public Accountants
World Resources Institute and Subsidiary
September 30, 2003 and 2002

World Resources Institute and Subsidiary

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Report of Independent Certified Public Accountants

Board of Directors
World Resources Institute and Subsidiary

We have audited the accompanying consolidated statement of financial position of the World Resources Institute and Subsidiary (the Institute) as of September 30, 2003, and the related consolidated statements of activities, the consolidated changes in net assets and consolidated cash flows for the year then ended. These consolidated financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of World Resources Institute as of and for the year ended September 30, 2002, were audited by other auditors whose report dated December 3, 2002 expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2003 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Institute as of September 30, 2003, and the consolidated changes in its net assets and its consolidated cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Vienna, Virginia
December 4, 2003

World Resources Institute and Subsidiary

Consolidated Statements of Financial Position

<i>September 30,</i>	2003	2002
Assets		
Cash and cash equivalents	\$ 1,020,829	\$ 2,683,228
Cash restricted—held for others	1,277,111	1,269,840
Total cash and cash equivalents	2,297,940	3,953,068
Grants, pledges and contracts receivable, net of allowance for doubtful accounts of \$142,405 and \$132,375 for 2003 and 2002, respectively (Note C)	13,114,302	16,305,557
Investments (Note B)	36,874,700	32,216,371
Other assets	259,105	436,546
Furniture, fixtures, and equipment, net (Note D)	747,392	973,807
Total Assets	\$ 53,293,439	\$ 53,885,349
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 549,853	\$ 532,741
Accrued salaries and benefits	464,688	442,090
Line-of-credit (Note G)	2,000,000	1,500,000
Loan payable (Note G)	240,221	290,715
Obligation under capital leases (Note E)	130,371	127,677
Deferred rent	67,899	91,423
Deferred revenue	42,206	187,943
Funds held for others	1,277,111	1,269,840
Total Liabilities	4,772,349	4,442,429
Net Assets		
Unrestricted		
Operating	202,518	202,518
Designated—working capital reserve	1,988,478	1,925,718
Designated—other	6,402,009	3,323,048
	8,593,005	5,451,284
Temporarily restricted	14,828,085	18,991,636
Permanently restricted	25,100,000	25,000,000
Total Net Assets	48,521,090	49,442,920
Total Liabilities and Net Assets	\$ 53,293,439	\$ 53,885,349

The accompanying notes are an integral part of this statement.

World Resources Institute and Subsidiary

Consolidated Statements of Activities

Year ended September 30, 2003

	Unrestricted		Total	Temporarily Restricted	Permanently Restricted	Total
	Operating	Designated				
Revenues						
Grants and contributions	\$ 4,304,653	\$ —	\$ 4,304,653	\$ 4,957,714	\$ 100,000	\$ 9,362,367
Federal grants and cooperative agreements	2,743,558	—	2,743,558	—	—	2,743,558
Investment return, net (Note B)	12,917	6,522,914	6,535,831	—	—	6,535,831
Support from endowment income	3,381,193	(3,381,193)	—	—	—	—
Publications	93,160	—	93,160	—	—	93,160
Other	34,696	—	34,696	—	—	34,696
Net assets released from program restrictions	9,121,265	—	9,121,265	(9,121,265)	—	—
Total Revenue	19,691,442	3,141,721	22,833,163	(4,163,551)	100,000	18,769,612
Expenses						
Policy research, technical support, and communications programs	16,078,713	—	16,078,713	—	—	16,078,713
Administration	1,704,548	—	1,704,548	—	—	1,704,548
Development	1,908,181	—	1,908,181	—	—	1,908,181
Total Expenses	19,691,442	—	19,691,442	—	—	19,691,442
Change in Net Assets	—	3,141,721	3,141,721	(4,163,551)	100,000	(921,830)
Net Assets, beginning of year	202,518	5,248,766	5,451,284	18,991,636	25,000,000	49,442,920
Net Assets, end of year	\$ 202,518	\$ 8,390,487	\$ 8,593,005	\$ 14,828,085	\$ 25,100,000	\$ 48,521,090

The accompanying notes are an integral part of this statement.

World Resources Institute and Subsidiary

Consolidated Statements of Activities—Continued

Year ended September 30, 2002

	Unrestricted		Total	Temporarily Restricted	Permanently Restricted	Total
	Operating	Designated				
Revenues						
Grants and contributions	\$ 7,226,245	\$ —	\$ 7,226,245	\$ 14,500,434	\$ —	\$ 21,726,679
Federal grants and cooperative agreements	3,410,834	—	3,410,834	—	—	3,410,834
Investment return, net (Note B)	23,851	(2,160,835)	(2,136,984)	—	—	(2,136,984)
Support from endowment income	3,179,690	(3,179,690)	—	—	—	—
Publications	112,717	—	112,717	—	—	112,717
Other	76,171	—	76,171	—	—	76,171
Net assets released from program restrictions	6,011,218	—	6,011,218	(6,011,218)	—	—
Total Revenue	20,040,726	(5,340,525)	14,700,201	8,489,216	—	23,189,417
Expenses						
Policy research, technical support, and communications programs	16,597,759	—	16,597,759	—	—	16,597,759
Administration	1,673,288	—	1,673,288	—	—	1,673,288
Development	1,769,947	—	1,769,947	—	—	1,769,947
Total Expenses	20,040,994	—	20,040,994	—	—	20,040,994
Change in Net Assets	(268)	(5,340,525)	(5,340,793)	8,489,216	—	3,148,423
Net Assets, beginning of year	202,786	10,589,291	10,792,077	10,502,420	25,000,000	46,294,497
Net Assets, end of year	\$ 202,518	\$ 5,248,766	\$ 5,451,284	\$ 18,991,636	\$ 25,000,000	\$ 49,442,920

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>	2003	2002
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Change in net assets	\$ (921,830)	\$ 3,148,423
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	331,386	367,719
Bad debt expense	10,030	132,375
Net gain on early termination of capital leases	—	(17,757)
Realized loss from sale of investments	331,621	4,875,009
Unrealized gain on investments	(6,753,880)	(2,655,498)
Changes in operating assets and liabilities:		
Grants and contracts receivable	3,181,225	(7,519,904)
Other assets	177,441	(137,582)
Accounts payable	17,112	(10,588)
Accrued salaries and benefits	22,598	68,328
Funds held for others	7,271	1,269,840
Deferred rent	(23,524)	(23,940)
Deferred revenue	(145,737)	142,469
Net Cash Used in Operating Activities	(3,766,287)	(361,106)
Cash Flows from Investing Activities		
Proceeds from sales of investments	14,534,655	22,569,583
Purchase of investments	(12,770,725)	(19,610,042)
Purchase of furniture, fixtures, and equipment	(73,307)	(49,427)
Net Cash Provided by Investing Activities	1,690,623	2,910,114
Cash Flows from Financing Activities		
Proceeds from line-of-credit borrowings	2,000,000	2,500,000
Payments on capital lease obligations	(28,970)	(58,865)
Payments on loan payable	(50,494)	(51,083)
Payments on line-of-credit	(1,500,000)	(2,000,000)
Net Cash Provided by Financing Activities	420,536	390,052
Net (Decrease) Increase in Cash and Cash Equivalents	(1,655,128)	2,939,060
Cash and Cash Equivalents, beginning of year	3,953,068	1,014,008
Cash and Cash Equivalents, end of year	\$ 2,297,940	\$ 3,953,068
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 9,907	\$ 63,104
Assets purchased under capital leases	\$ 31,664	\$ 139,012

The accompanying notes are an integral part of these statements.

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements

September 30, 2003 and 2002

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 140-member interdisciplinary staff, strong in the sciences and economics and augmented by a network of advisors, collaborators, international fellows, and cooperating institutes in more than 50 countries. The Institute currently focuses on four broad themes: (1) promoting new paths for development, (2) halting the degradation of biological resources, (3) preventing dangerous human-caused change in the earth's climate, and (4) fostering sustainable enterprises.

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 World Resources Institute and is included in these consolidated financial statements. Prior to fiscal year 2002, WRIF had no activities. Commencing in 2002, WRIF activities include the operation of a capital campaign. 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:

Unrestricted Funds:

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.

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Classification of Net Assets—Continued

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.

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.

Investments

The Institute records its investments at fair market value based on quoted market prices.

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 five 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.

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Cash is held at one financial institution in excess of federally insured amounts. At September 30, 2003 and 2002, \$1,020,820 and \$2,683,228, respectively, was held at that institution. The Institute has not incurred any losses on these funds.

NOTE B—INVESTMENTS

As of September 30, 2003 and 2002, investments were as follows:

	2003	2002
Short-term investments	\$ 1,284,694	\$ 9,941,997
Limited liability partnerships	13,828,937	10,925,238
Equities	21,761,069	11,349,136
Total	\$ 36,874,700	\$ 32,216,371

Investment return consists of the following for the years ended September 30, 2003 and 2002:

	2003	2002
Realized losses	\$ (331,621)	\$ (4,875,009)
Unrealized gains	6,753,880	2,655,498
Dividends and interest	320,930	345,888
Investment management fees/foreign taxes	(207,358)	(263,361)
Total	\$ 6,535,831	\$ (2,136,984)

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

NOTE C—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, 2003 and 2002, were as follows:

	2003	2002
U.S. government	4%	3%
Foundations	25%	22%
Foreign governments	23%	11%
International organizations	25%	41%
Corporations, individuals and others	23%	23%
	100%	100%

As of September 30, 2003 and 2002, the Institute's receivables were due as follows:

	2003	2002
Less than one year	\$ 8,839,779	\$ 11,404,292
One to three years	4,543,088	5,377,383
Allowance for doubtful accounts	(142,505)	(132,375)
Unamortized discount on receivables	(126,060)	(343,743)
Grants, pledges and contracts receivable, net	\$ 13,114,302	\$ 16,305,557

NOTE D—FURNITURE, FIXTURES, AND EQUIPMENT

Furniture, fixtures, and equipment consist of the following at September 30, 2003 and 2002:

	2003	2002
Furniture and equipment	\$ 1,532,422	\$ 1,604,808
Leasehold improvements	802,012	802,013
Equipment under capital lease agreements	170,676	139,012
Artwork	8,825	8,825
	2,513,935	2,554,658
Less accumulated depreciation and amortization	(1,766,543)	(1,580,851)
Furniture, fixtures, and equipment, net	\$ 747,392	\$ 973,807

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

NOTE E—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, 2003 and 2002, were as follows:

	2003		2002
Equipment under capital lease	\$ 170,676	\$	139,012
Less accumulated amortization	(45,037)		(13,901)
Equipment under capital lease, net	\$ 125,639	\$	125,111

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

<i>September 30,</i>	
2004	\$ 40,792
2005	40,792
2006	40,792
2007	23,992
2008	1,798
Total future minimum lease payments	\$ 148,166
Less: amount representing interest	(17,795)
Present value of minimum lease payments	\$ 130,371

Interest expense related to the capital leases was \$9,907 and \$46,529, respectively, for the years ended September 30, 2003 and 2002.

NOTE F—OFFICE LEASE COMMITMENTS AND RENT ABATEMENT

The Institute has entered into various operating lease agreements. During 1999, the Institute relocated to a new office building, under a lease which expires in February 2009. As part of the office building lease, the Institute received one month 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.

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

NOTE F—OFFICE LEASE COMMITMENTS AND RENT ABATEMENT—Continued

The future minimum lease payments are as follows as of September 30, 2003:

<i>September 30,</i>	
2004	\$ 1,367,634
2005	1,411,482
2006	1,439,742
2007	1,468,509
2008	1,497,909
Thereafter	502,598
Total	\$ 7,687,874

Rental expense for these leases was \$1,390,198 and \$1,316,934 for the years ended September 30, 2003 and 2002, respectively.

NOTE G—LOANS PAYABLE

During fiscal year 1999, the Institute obtained a \$500,000 loan at Bank of America, NA, with a maturity date of March 31, 2004. The balance outstanding on this loan at September 30, 2003 and 2002, was \$240,221 and \$290,715, respectively. The interest rate on the loan is 6.55 percent. Interest expense for the years ending September 30, 2003 and 2002, was \$17,787 and \$21,023, respectively. The loan agreement contains a covenant that requires the Institute to maintain a minimum balance of \$720,000 in a collateral bank account.

To manage short-term cash flow effectively, the Institute maintains a line-of-credit. During fiscal year 2001, the Institute obtained a \$3,000,000 line-of-credit at Bank of America, NA with a maturity date of April 30, 2004. The balance outstanding on this line-of-credit at September 30, 2003 and 2002, was \$2,000,000 and \$1,500,000, respectively. The interest rate on the line-of-credit is based on London Interbank Offered Rate (LIBOR) plus 1.5 percent (2.6200 percent and 3.3137 percent at September 30, 2003 and 2002, respectively). The loan agreement contains a covenant which requires the Institute to maintain unrestricted, unencumbered liquid assets (marketable securities, cash and cash equivalents) of not less than \$3,000,000.

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

NOTE H—FUNDS HELD FOR OTHERS

The Ford Foundation gave a grant (for endowment) of \$1,200,000 to the African Centre for Technology Studies (ACTS) (an unrelated organization) in Nairobi, Kenya. ACTS requested the Institute to hold the funds in an interest-bearing account until further notice, earning interest of \$77,111 as of September 30, 2003.

NOTE I—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. During 2003 and 2002, \$2,397,064 and \$2,378,042, respectively, of these earnings were transferred from unrestricted designated to unrestricted operating net assets in accordance with the policy statement referred to above. The Board of Directors also authorized management to draw down an additional amount to cover capital campaign expenses during the period January 1, 2002 to December 31, 2005. As of September 30, 2003, \$1,785,777 was drawn down for this purpose.

In 2003, an individual contributed \$100,000 for the purpose of creating an endowment to enable the Institute to have interns. Investment earnings from the endowment are recognized as unrestricted designated revenue.

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

NOTE J—TEMPORARILY RESTRICTED NET ASSETS

As of September 30, 2003 and 2002, temporarily restricted net assets are restricted for the following programs:

	2003	2002
Climate, energy and pollution	\$ 2,437,951	\$ 3,357,543
Biological resources	1,372,520	677,587
Economics program	—	359,940
World Resources report	—	50,322
Institutions and governance	905,994	1,034,095
Sustainable enterprise	1,767,910	2,019,615
Information	4,191,732	6,978,376
Special studies	4,151,978	3,395,788
Forest	—	1,118,370
Total	\$ 14,828,085	\$ 18,991,636

Net assets released from restrictions by incurring expenses satisfying their restricted purposes during the years ended September 30, 2003 and 2002, are as follows:

	2003	2002
Climate, energy and pollution	\$ 1,305,202	\$ 341,419
Biological resources	484,812	528,917
Economics program	296,213	479,751
World Resources report	50,321	381,786
Institutions and governance	767,275	1,040,539
Sustainable enterprise	1,159,326	945,551
Information	2,998,594	1,032,172
Special studies	1,407,922	311,673
Forest	651,600	949,410
Total	\$ 9,121,265	\$ 6,011,218

World Resources Institute and Subsidiary

Notes to Consolidated Financial Statements—Continued

September 30, 2003 and 2002

NOTE K—SIGNIFICANT CONTRACT

The Institute initiates and completes a substantial portion of its projects within the Institutions and Governance and Information Programs pursuant to a single cooperative agreement from the U.S. Agency for International Development. The revenue pursuant to this cooperative agreement was \$1,987,174 for the year ended September 30, 2003 and \$2,559,521 for the year ended September 30, 2002. Such revenue accounted for approximately 17 percent of total federal and non-federal grants, contributions, and cooperative agreement revenues during the year ended September 30, 2003, and approximately 10 percent for the year ended September 30, 2002.

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, to individually owned tax-deferred annuity contracts under a defined contribution annuity plan. The amount contributed to the Plan for the years ended September 30, 2003 and 2002, was \$550,588 and \$528,527, respectively.

NOTE M—RELATED-PARTY TRANSACTION

The Institute provides bookkeeping services for a foundation from which the Institute receives grant awards for research studies. During fiscal 2003 and 2002, the Institute recorded grant revenue of \$378,362 and \$281,473, respectively, from the foundation. In addition, the Institute received \$8,382 and \$15,925, respectively, from the foundation for bookkeeping services.

Supplemental Information



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

Board of Directors
World Resources Institute and Subsidiary

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplemental information 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 consolidated financial statements taken as a whole.

Grant Thornton LLP

Vienna, Virginia
December 4, 2003

World Resources Institute and Subsidiary

Schedule of Functional Expenses

Year ended September 30, 2003

	Climate Energy and Pollution	Biological Resources	World Resources Report	Institutions and Governance	Sustainable Enterprise	Information	Special Studies	External Relations	Total Program Expenses	Administration	Development	Total Expenses
Salaries and stipends	\$ 560,657	\$ 937,218	\$ 221,207	\$ 825,051	\$ 1,213,348	\$ 1,001,178	\$ 736,096	\$ 351,860	\$ 5,846,615	\$ 880,525	\$ 816,406	\$ 7,543,546
Benefits	166,267	287,360	67,824	247,561	351,206	301,648	220,199	106,352	1,748,417	261,336	243,302	2,253,055
Research and conferences	50,627	239,436	32,022	189,368	101,381	176,370	82,477	5,343	877,224	40,767	278,210	1,196,201
Communication expenses	5,195	19,675	200	20,000	11,099	57,855	820	7,711	122,555	—	22,626	145,181
Institutional co-op agreements/subgrants	403,000	388,891	—	520,846	91,875	2,185,802	30,000	—	3,620,414	—	84,770	3,705,184
Publication expenses	40,880	20,896	140,774	111,830	114,848	75,539	9,354	—	606,633	2,015	94,945	703,593
Staff and board travel	144,689	125,033	1,091	100,921	71,594	88,905	35,280	15,267	562,780	57,438	52,096	692,314
Other direct expenses	25,338	81,106	5,063	38,839	60,541	25,912	11,391	30,458	278,648	462,467	104,679	845,794
Rent	126,938	218,543	59,810	195,937	245,791	220,674	139,964	77,863	1,285,520	—	8,463	1,293,983
Library and information services	10,263	17,669	4,886	15,841	19,872	17,841	11,316	6,295	103,933	—	34,476	138,409
Indirect salaries and benefits	41,806	71,976	19,698	64,531	80,950	72,678	46,096	25,644	423,379	—	—	423,379
Subgrant pool salaries and benefits	9,248	15,922	4,357	14,275	17,907	16,077	10,197	5,673	93,656	—	7,627	101,283
Supplies and materials	5,786	9,962	2,726	8,931	11,204	10,059	6,380	3,549	58,597	—	4,772	63,369
Postage	575	989	271	887	1,112	999	633	352	5,818	—	474	6,292
Telephone and cables	7,900	13,601	3,722	12,194	15,297	13,734	8,711	4,846	80,005	—	6,515	86,520
Equipment rental and maintenance	11,670	20,092	5,499	18,014	22,597	20,288	12,868	7,159	118,187	—	9,624	127,811
Other	(8,442)	(14,534)	(3,978)	(13,031)	(16,346)	(14,676)	(9,308)	(5,178)	(85,493)	—	119,635	34,142
Depreciation	31,691	48,530	11,177	46,915	47,748	84,466	26,748	14,550	311,825	—	19,561	331,386
Total expenses	1,634,088	2,502,365	576,299	2,419,110	2,462,024	4,355,349	1,379,222	750,256	16,078,713	1,704,548	1,908,181	19,691,442
Allocation of administration costs	154,918	237,235	54,636	229,342	233,410	412,906	130,756	71,127	1,524,330	(1,704,548)	180,218	—
Total	\$ 1,789,006	\$ 2,739,600	\$ 630,935	\$ 2,648,452	\$ 2,695,434	\$ 4,768,255	\$ 1,509,978	\$ 821,383	\$ 17,603,043	\$ —	\$ 2,088,399	\$ 19,691,442

World Resources Institute and Subsidiary

Schedule of Functional Expenses—Continued

Year ended September 30, 2002

	Climate Energy and Pollution	Biological Resources	Economics Program	World Resources Report	Institutions and Governance	Sustainable Enterprise	Information	Special Studies	Forest	Communications	Total Program Expenses	Administration	Development	Total Expenses
Salaries and stipends	\$ 500,342	\$ 295,778	\$ 380,902	\$ 348,524	\$ 846,248	\$ 899,833	\$ 569,528	\$ 911,098	\$ 705,011	\$ 379,803	\$ 5,837,067	\$ 874,486	\$ 714,267	\$ 7,425,820
Benefits	145,162	90,148	111,664	105,170	250,473	255,551	170,047	273,165	213,404	115,661	1,730,445	256,913	212,763	2,200,121
Research and conferences	92,698	78,684	49,349	12,415	359,300	205,870	147,262	102,527	123,324	24,225	1,195,654	67,203	352,847	1,615,704
Communication expenses	9,721	66	18,901	800	6,691	6,297	41,488	3,773	4,962	49,178	141,377	185	18,950	160,512
Institutional co-op agreements/subgrants	68,500	105,845	36,152	—	1,151,816	154,391	1,778,816	95,716	259,473	—	3,659,709	—	—	3,659,709
Publication expenses	17,373	29,543	32,664	60,906	190,516	100,857	117,756	25,107	82,515	62,510	713,747	2,985	54,013	776,745
Staff and board travel	16,494	72,557	15,768	16,501	147,139	55,359	69,196	66,344	131,685	6,702	644,805	78,026	45,804	768,635
Other direct expenses	63,554	13,421	26,355	4,865	53,257	52,585	33,216	21,433	46,752	14,986	285,344	393,490	73,022	751,856
Rent	98,194	67,395	74,061	63,722	215,314	183,107	133,407	163,034	151,895	75,859	1,225,988	—	165,149	1,391,137
Library and information services	8,588	5,894	6,477	5,573	18,831	16,014	11,668	14,259	13,285	6,635	107,224	—	14,444	121,668
Reproduction	34,244	23,503	25,828	22,222	75,088	63,856	46,524	56,856	52,971	26,455	427,547	—	57,594	485,141
Supplies and materials	6,799	4,667	5,128	4,412	14,909	12,679	9,237	11,289	10,518	5,253	84,891	—	11,435	96,326
Postage	757	520	571	491	1,660	1,412	1,028	1,257	1,171	585	9,452	—	1,273	10,725
Telephone and cables	4,498	3,087	3,392	2,919	9,863	8,387	6,111	7,468	6,958	3,475	56,158	—	7,564	63,722
Equipment rental and maintenance	10,186	6,991	7,682	6,610	22,335	18,994	13,838	16,912	15,756	7,869	127,173	—	17,131	144,304
Other	539	370	406	350	1,182	1,005	732	895	834	416	6,729	—	3,421	10,150
Depreciation	23,041	17,072	17,047	14,002	71,939	43,556	67,347	37,871	38,253	16,669	347,489	—	20,270	367,719
Total expenses	1,100,690	815,541	814,327	668,882	3,456,561	2,079,793	3,217,201	1,809,104	1,859,439	796,281	16,597,759	1,673,288	1,769,947	20,040,994
Allocation of administration costs	104,848	77,686	77,570	63,716	327,356	198,109	306,461	172,330	177,124	75,851	1,581,051	(1,673,288)	92,237	—
Total	\$ 1,205,538	\$ 893,227	\$ 891,897	\$ 732,598	\$ 3,783,917	\$ 2,277,902	\$ 3,523,662	\$ 1,981,434	\$ 2,036,563	\$ 872,132	\$ 18,178,810	\$ —	\$ 1,862,184	\$ 20,040,994

