International Rivers Network and Subsidiaries

Financial statements

December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
International Rivers Network

Report on the Financial Statements

We have audited the accompanying financial statements of International Rivers Network (a nonprofit organization) and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Rivers Network and subsidiaries as of December 31, 2020 and 2019, 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.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Francisco, California
August 31, 2021

INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash	$ 1,419,985	$ 892,315
Pledges and grants receivable - net	1,606,285	359,449
Other receivables	-	248
Prepaid expenses	25,173	35,170
Total current assets	3,051,443	1,287,182
Noncurrent assets		
Pledges and grants receivable beyond one year, net	637,996	334,013
Investments	-	234,516
Deposits	7,421	8,991
Property and equipment, net	-	2,535
Total noncurrent assets	645,417	580,055
Total assets	$ 3,696,860	$ 1,867,237
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 85,484	$ 33,391
Accrued time-off liability	159,877	183,728
Deferred revenue	25,137	-
Paycheck Protection Program loan - current portion	75,487	-
Total current liabilities	345,985	217,119
Noncurrent liabilities		
Security deposit	-	3,365
Paycheck Protection Program loan - net of current portion	21,235	-
Total noncurrent liabilities	21,235	3,365
Total liabilities	367,220	220,484
Net assets		
Without donor restrictions	344,505	(359,361)
With donor restrictions	2,985,135	2,006,114
Total net assets	3,329,640	1,646,753
Total liabilities and net assets	$ 3,696,860	$ 1,867,237

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

INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Foundation and corporate grants	$ 1,029,909	$ 2,784,874	$ 3,814,783	$ 12,318	$ 1,528,934	$ 1,541,252
Contributions	213,049	-	213,049	138,744	3,000	141,744
In-kind contributions	22,545	-	22,545	305,751	-	305,751
Interest and dividends	2,725	-	2,725	8,090	-	8,090
Other income	18,912	-	18,912	8,955	-	8,955
Net assets released from restrictions:						
Purpose accomplished or time restriction met	1,805,853	(1,805,853)	-	2,245,758	(2,245,758)	-
TOTAL SUPPORT AND REVENUE	3,092,993	979,021	4,072,014	2,719,616	(713,824)	2,005,792
EXPENSES						
Program services	1,357,048	-	1,357,048	2,176,156	-	2,176,156
Supporting services:						
Management and general	885,269	-	885,269	473,825	-	473,825
Fundraising	146,810	-	146,810	100,980	-	100,980
TOTAL EXPENSES	2,389,127	-	2,389,127	2,750,961	-	2,750,961
CHANGE IN NET ASSETS	703,866	979,021	1,682,887	(31,345)	(713,824)	(745,169)
NET ASSETS - beginning of year	(359,361)	2,006,114	1,646,753	(328,016)	2,719,938	2,391,922
NET ASSETS - end of year	$ 344,505	$ 2,985,135	$ 3,329,640	$ (359,361)	$ 2,006,114	$ 1,646,753

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

INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$ 774,200	$ 395,972	$ 98,544	$ 1,268,716
Professional fees	259,337	342,846	6,970	609,153
Grants to others	90,660	-	-	90,660
Employee benefits	38,228	33,144	4,283	75,655
Travel and meals	47,457	8,074	88	55,619
Payroll taxes	27,258	17,430	6,393	51,081
Occupancy	27,728	20,373	222	48,323
Information technology	20,059	11,941	1,997	33,997
Dues, licenses, and other fees	6,804	2,272	20,751	29,827
Telephone	14,756	4,253	314	19,323
Copying and printing	12,633	-	6,609	19,242
Equipment rental and maintenance	11,869	5,787	-	17,656
Insurance	2,347	8,197	211	10,755
Conferences, conventions, and meetings	9,815	-	3	9,818
Staff training	1,321	5,804	200	7,325
Postage and shipping	4,762	465	58	5,285
Supplies	4,739	331	7	5,077
Bad debts	-	3,000	-	3,000
Depreciation	1,455	920	160	2,535
Advertising and promotion	1,578	916	-	2,494
Miscellaneous	42	23,544	-	23,586
Total expenses	$ 1,357,048	$ 885,269	$ 146,810	$ 2,389,127

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

INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$ 936,897	$ 55,258	$ 73,449	$ 1,065,604
Professional fees	627,781	347,537	3,884	979,202
Travel and meals	252,538	14,469	1,273	268,280
Employee benefits	70,748	6,900	2,426	80,074
Occupancy	52,790	8,422	1,064	62,276
Grants to others	62,457	-	-	62,457
Payroll taxes	48,771	1,919	1,029	51,719
Conferences, conventions, and meetings	45,442	2,000	100	47,542
Dues, licenses, and other fees	16,301	3,152	11,862	31,315
Equipment rental and maintenance	13,085	2,902	90	16,077
Telephone	13,945	1,566	483	15,994
Information technology	8,533	6,891	298	15,722
Copying and printing	7,699	5	3,862	11,566
Insurance	2,153	7,670	82	9,905
Supplies	7,475	76	97	7,648
Depreciation	5,955	1,298	276	7,529
Postage and shipping	1,202	464	703	2,369
Staff training	711	169	2	882
Advertising and promotion	151	440	-	591
Miscellaneous	1,522	12,687	-	14,209
Total expenses	$ 2,176,156	$ 473,825	$ 100,980	$ 2,750,961

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

INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,682,887	$ (745,169)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,535	7,529
Bad debts	3,000	-
(Increase) decrease in operating assets:		
Pledges, grants and other receivables	(1,553,571)	874,903
Prepaid expenses	9,997	(20,462)
Deposits	1,570	1,500
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	52,093	19,077
Accrued time-off liability	(23,851)	39,435
Deferred revenue	25,137	(10,000)
Grants payable	-	(75,000)
Security deposit	(3,365)	-
Net cash provided by operating activities	196,432	91,813
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from Paycheck Protection Program loan	96,722	-
Net cash provided by financing activity	96,722	-
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	234,516	153,978
Reinvested interest of certificate of deposits	-	(7,405)
Purchase of investments	-	(149,290)
Net cash provided by (used in) investing activities	234,516	(2,717)
NET INCREASE IN CASH	527,670	89,096
CASH - beginning of the year	892,315	803,219
CASH - end of the year	$ 1,419,985	$ 892,315

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

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

International Rivers Network (IRN) is a California nonprofit organization founded in 1986, headquartered in Oakland, California. Activities are primarily supported by private grants and contributions. IRN's mission is to protect the rights of rivers and communities that depend on them.

IRN works with river-dependent and dam-affected communities to ensure their voices are heard and their rights are respected. IRN helps to build well-resourced, active networks of civil society groups to create the change. IRN undertakes independent, investigative research, generating robust data and evidence to inform policies and campaigns. IRN exposes and resists destructive projects, while also engaging with all relevant stakeholders, including industry and policymakers, to develop a vision that protects rivers and the communities that depend upon them.

In 2006, Fund for International Rivers (FIR), a California nonprofit organization, was founded as a supporting organization of IRN. The majority of the directors of FIR shall be appointed by IRN's Board of Directors.

In 2014, IRN formed Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited to carry out its mission in China. It also formed Yi Tai Rui Wo Environmental Consulting Company Limited (HK) as a holding company of the Beijing entity. In 2016, IRN formed Yi Tai Ru Wo California, LLC (CA) to facilitate funding for the foreign operations. There were no significant activities with the FIR, CA, Beijing and HK entities during the years ended December 31, 2020 and 2019.

In July 2019, IRN approved for the wind down of its Beijing, HK and CA entities. In October 2019, IRN received approval from the Chinese government to close its Beijing entity. In January 2021, IRN received the No Objection notice from Hong Kong Inland Revenue Department to deregister the HK entity. In June 2021, IRN received an approval notice from the Hong Kong Companies Registry to deregister the HK entity. IRN is in the process of closing its CA entity.

Significant accounting policies are described below:

Basis of Consolidation

The financial statements include the accounts and activities of IRN, FIR and IRN's three subsidiaries, Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited, Yi Tai Rui Wo Environmental Consulting Company Limited, and Yi Tai Ru Wo California, LLC (collectively, the "Organization"). All significant inter-company accounts and transactions have been eliminated in the consolidated financial statements (collectively, the financial statements).

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements of Organization have been prepared using the accrual method of accounting which involves the recognition of revenues and gains when earned and expenses and losses when incurred, in accordance with accounting principles generally accepted in the Unites States of America for Not-for-Profit Organizations ("U.S. GAAP").

Basis of Preparation

The Organization reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Those net assets and activities which represent the portion of expendable funds that have no use or time restrictions. The Board of Directors can designate a portion of this class of net assets.

Net Assets With Donor Restrictions

Those net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when specified restrictions are met.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization did not have any cash equivalents as of December 31, 2020 and 2019.

Investments

Investments mainly consist of certificate of deposits, which are recorded at cost plus interest which approximates fair value.

Fair Value Measurements

The Organization considers the use of market-based information over entity specific information in valuing its marketable investments, using a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability at the measurement date.

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

The three-level hierarchy for fair value measurements is defined as follows:

- *Level 1* inputs to the valuation methodology - quoted prices (unadjusted) for identical assets or liabilities in active markets.
- *Level 2* inputs to the valuation methodology - quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the investment.
- *Level 3* inputs to the valuation methodology - unobservable and significant to the fair value measurement.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Pledges and Grants Receivable

Pledges and grants receivable include unconditional commitments from various foundations and individuals that are stated at the net realizable amount that management expects to collect. Pledges and grants receivable beyond one year are discounted to the present value of expected future cash flows using a risk-free discount rate. No additional allowance for uncollectible promises to give were provided at December 31, 2020 and 2019.

Property and Equipment

The Organization records acquisitions of items with a cost of $2,500 or more and significant leasehold improvements as property and equipment. Routine maintenance and repairs are charged to expense as incurred. Property and equipment are recorded at cost when purchased and fair value when received as donation. Depreciation is provided over the estimated useful lives of respective assets, primarily two to ten years, using the straight- line method of depreciation.

Income Tax Status

IRN and FIR are qualified as tax exempt organizations under Internal Revenue Code Section 501(c)(3) and by the California Revenue and Taxation Code under Section 23701(d). Accordingly, no provision has been made for income taxes in the accompanying financial statements.

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status (continued)

Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited and Yi Tai Rui Wo Environmental Consulting Company Limited are subject to taxation in China and Hong Kong. The accompanying financial statements do not include any provision for income taxes as either these subsidiaries experienced net losses or their carried over losses were sufficient to reduce their taxable income to zero for the years ended December 31, 2020 and 2019. Upon distribution of earnings in the form of dividends or otherwise, the income would be subject to U.S. income taxes.

Yi Tai Ru Wo California, LLC is a pass through entity for income tax reporting purposes and, accordingly, does not pay tax on its taxable income. Instead, income or loss is reported on the tax return of IRN. The entity is subject to a minimum franchise tax for the State of California.

Each year, management considers whether any material tax positions have taken are more likely than not to be sustained upon examination by the applicable taxing authority. Management believes that any tax positions taken are supported by substantial authority, and, hence, do not need to be measured or disclosed in the accompanying financial statements.

Revenue Recognition

Grants and Contributions

Grants and contributions are recognized when the donors make a promise to Organization that is, in substance, unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Conditional grants are recognized when the conditions on which they depend are substantially met.

Conditional grants received in advance of meeting the associated conditions are recorded in deferred revenue until recognized. Deferred revenue recognized from conditional grants amounted to $25,136 and $0 as of December 31, 2020 and 2019, respectively.

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

In-Kind Services

Gifts of property and equipment are recorded as support without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

The Organization records contributed professional services at their fair value if the services received require specialized skill, are provided by individuals with those skills, and would typically need to be purchased if not received through donation. The Organization recognized in-kind legal professional services, shown as part of contributions revenue in the consolidated statements of activities, amounting to $22,545 and $305,751 during the years ended December 31, 2020 and 2019, respectively.

Functional Allocation of Expenses

The Organization's cost of providing various program and supporting activities have been reported on a functional basis on the consolidated statements of functional expenses based on program and supporting services benefitted. Shared expenses that benefit two or more activities of the Organization are allocated among program and supporting activities based on the ratio of each activity's direct cost less distorting direct expenses to total direct costs of all activities.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the reporting period. Significant accounting estimates reflected in these financial statements include the valuation of grants and pledges receivable and the functional allocation of expenses. Actual results could differ from those estimates.

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Operations

IRN's foreign wholly owned for-profit subsidiaries are located in Beijing and Hong Kong. Additionally, in connection with its worldwide activities, IRN operates in various countries outside the United States including Brazil, South Africa, India and Thailand. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange. The Beijing and HK entities were formally closed in October 2019 and June 2021, respectively (refer to the Organization section of Note 1).

The financial statements of the foreign subsidiaries are prepared using U.S. dollars as the functional currency. As a result, the transactions of those operations that are denominated in foreign currencies are re-measured into U.S. dollars, and any resulting gains or losses are included in change in net assets.

Recently Issued Accounting Standards

During February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, "Leases (Topic 842)." ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Organization is currently assessing the effect that Topic 842 (as amended) will have on its results of operations, financial position and cash flows.

During September 2020, the FASB issued ASU No. 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets." ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. The Organization is currently assessing the effect that ASU No. 2020-07 will have on its financial statements.

2. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and pledges and grants receivables. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution in the United States may, at times, be in excess of federally insured amounts (currently $250,000 per depositor). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

During the years ended December 31, 2020 and 2019, 49% and 59% of foundation and corporate grants were from two and four grantors, respectively. At December 31, 2020 and 2019, 92% and 82% of pledges and grants receivable were from six and two grantors, respectively.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The amount changes throughout the year with ongoing grant renewals, as well as new grants and private contributions. The Organization regularly monitors liquidity required to meet its operating needs and meets on a weekly basis as a management team to review cash flow, which includes reviewing projected incoming cash and overlaying that with projected outgoing cash.

To support responsible planning and management, the Organization has established triggers related to cash flow. The Organization considers projecting cash levels at or below 30 days of total projected expenses within the next 3 months to be a trigger that would require immediate expense cutting action by management. The Organization has a liquidity policy to maintain current financial assets in cash and cash equivalents. The Organization does not consider deferred revenue cash funds whose performance obligation has not fulfilled within one year of the Consolidated Statement of Financial Position date as available to fund current operations nor does it consider net assets with donor restrictions whose purpose will not be fulfilled beyond one year from Consolidated Statement of Financial Position date as available to fund current operations.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

The Organization's financial assets available within one year of the Consolidated Statement of Financial Position date for general expenditures were as follows:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	$ 1,419,985	$ 892,315
Investments	-	234,516
Pledges and grants receivable - current	1,606,285	359,449
Pledges and grants receivable - beyond one year, net	637,996	334,013
Other receivables	-	248
	3,664,266	1,820,541
Less: Investments with maturity horizons beyond one year	-	(234,516)
Less: Pledges and grants receivable - beyond one year	(637,996)	(334,013)
Financial assets available for general expenditures	$ 3,026,270	$ 1,252,012

4. DEFICIT IN NET ASSETS WITHOUT DONOR RESTRICTIONS

For the year ended December 31, 2019, IRN had a change in net assets without donor restrictions of ($31,345), resulting in an ending deficit in net assets without donor restrictions of $359,361 as of December 31, 2019.

5. INVESTMENTS

As of December 31, 2019, investments consisted of certificate of deposits which amounted to $234,516 with maturities through December 2022. As of December 31, 2019, such investments were considered under Level 2 category. There are no investments in Level 1 and 3 categories as of December 31, 2019.

During the year ended December 31, 2020, IRN withdrew the certificate of deposits and the proceeds were held as cash in bank as of December 31, 2020.

6. PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Receivable in less than one year	$ 1,606,285	$ 359,449
Receivable in one to five years	662,074	358,000
	2,268,359	717,449
Less: discount to present value	(24,078)	(23,987)
	$ 2,244,281	$ 693,462

Long-term receivables have been discounted using interest rates ranging from 1.1% to 6.8% and 6.3% to 6.8% for the years ended December 31, 2020 and 2019, respectively.

7. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Furniture and equipment	$ 24,852	$ 77,146
Leasehold improvements	-	23,443
Library	-	5,000
Total property and equipment	24,852	105,589
Less: accumulated depreciation	(24,852)	(103,054)
Property and equipment, net	$ -	$ 2,535

For the years ended December 31, 2020 and 2019, depreciation expense amounted to $2,535 and $7,529, respectively.

8. PAYCHECK PROTECTION PROGRAM LOAN

In May 2020, the Organization received loan proceeds in the amount of $96,722 under the Paycheck Protection Program ("PPP") which was established as part of the Coronavirus Aid, Relief and Economic Security ("CARES") Act and is administered through the Small Business Administration ("SBA"). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion is payable over 2 years if issued before, or 5 years if issued after, June 5, 2020 at an interest rate of 1% with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period. PPP loan terms provide for customary events of default, including payment defaults, breaches of representations and warranties, and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, PPP loan terms do not include prepayment penalties.

The Organization met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness during April 2021. Legal release was received from SBA in April 2021 (refer to Note 11). When legal release is received, the Organization will record the amount forgiven as income within its consolidated statement of activities in the year it was forgiven.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request. Among other factors, loan eligibility is contingent upon economic uncertainty and necessity. The determination of necessity includes access to liquidity available to support the ongoing operations of the Organization.

Future maturities of the loan are as follows:

Year ending December 31,	
2021	$ 75,487
2022	21,235
	$ 96,722

9. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2020 and 2019 net assets with donor restrictions are available for the following purposes:

	2020	2019
Subject to expenditure for specified purpose:		
Latin America programs	$ 247,203	$ 495,718
South Asia programs	-	79,674
Southeast Asia programs	66,615	214,850
Africa programs	86,386	319,955
Grants to others	93,346	14,970
Communications	-	30,000
	493,550	1,155,167
Subject to passage of time:		
Time-restricted	350,000	687,000
Subject to expenditure for specified purpose and passage of time:		
Latin America programs	273,054	25,000
South Asia programs	221,195	75,168
Southeast Asia programs	781,621	38,281
Africa programs	558,247	10,000
China programs	300,000	-
Grants to others	7,468	15,498
	2,141,585	163,947
	$ 2,985,135	$ 2,006,114

9. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Releases of net assets with donor restrictions during the year ended December 31, 2020 and 2019 were as follows:

	2020	2019
Latin America programs	$ 394,445	$ 571,804
South Asia programs	177,813	330,776
Southeast Asia programs	287,116	231,964
Africa programs	420,322	417,077
China programs	100,000	-
Communications	30,000	-
Grants to others	34,154	20,030
Time-restricted	362,003	674,107
	$ 1,805,853	$ 2,245,758

10. LEASE COMMITMENTS

The Organization leases its offices under non-cancellable operating lease arrangements ranging in monthly payments from $93 to $789 expiring at various times through August 2021. In March 2018, the Organization entered into a lease agreement for its Oakland office at $2,800 per month through October 2019. The lease agreement was renewed for another 12 months at $1,800 per month through September 2020, which was then extended through October 2020. In November 2020, Organization entered into a month-to-month agreement for its Oakland office at $550 per month.

Future minimum payments under these arrangements are as follows:

Year ending December 31,	
2021	$ 7,781

Rent expense for the years ended December 31, 2020 and 2019 was $44,815 and $55,898, respectively.

11. RISKS AND UNCERTAINTIES

The COVID-19 outbreak in 2020 has led to severe disruptions and uncertainty in the global supply chain, capital markets and economies, and those disruptions have since intensified and will likely continue for some time. Concern about the potential effects of COVID-19 and the effectiveness of measures being put in place by global governmental bodies and reserve banks at various levels as well as by private organizations to contain or mitigate its spread have adversely affected economic conditions and capital markets globally and have led to unprecedented volatility in the financial markets. The disruption is currently expected to be temporary, however there is uncertainty around the duration.

In response to the pandemic, the Organization instituted a work from home policy, and implemented strategies by securing large multi-year commitments, maintaining strong working relationships with current and prospective donors, and consistently identifying new sources of revenue. In addition, the Organization obtained a PPP loan in the amount of $96,722 (refer to Note 8) and applied for and received the second PPP loan in the amount of $90,658 (refer to Note 12).

While the Organization expects this matter to negatively impact its business, results of operations, and financial position, the related impact including the amount of potential impairment of assets, cannot be reasonably estimated at this time.

12. SUBSEQUENT EVENTS

In April 2021, the Organization met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness. Legal release was received from SBA during April 2021.

In February 2021, the Organization applied for and received $90,658, as a second draw of the PPP Loan (PPP2) under the Consolidated Appropriations Act, 2021 (CAA). In May 2021, the Organization met the PPP2's loan forgiveness requirements, and therefore, applied for forgiveness. Legal release was received from SBA during June 2021.

In January 2021, IRN received the No Objection notice from Hong Kong Inland Revenue Department to deregister the HK entity. In June 2021, IRN received an approval notice from the Hong Kong Companies Registry to deregister the HK entity.

IRN has evaluated subsequent events through August 31, 2021, the date on which the financial statements were available to be issued.