



Certified Public Accountants  
and Financial Advisors

**INTERNATIONAL RIVERS NETWORK  
AND SUBSIDIARIES**

Financial statements  
December 31, 2018 and 2017

## INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report .....	1
Consolidated Statements of Financial Position .....	3
Consolidated Statements of Activities .....	4
Consolidated Statement of Functional Expenses-2018 .....	5
Consolidated Statement of Functional Expenses-2017 .....	6
Consolidated Statements of Cash Flows .....	7
Notes to Financial Statements .....	8
Supplementary Information	
Consolidating Statement of Financial Position-2018 .....	20
Consolidating Statement of Financial Position-2017 .....	21
Consolidating Statement of Activities-2018.....	22
Consolidating Statement of Activities-2017 .....	23
Consolidating Statement of Functional Expenses-2018 .....	24
Consolidating Statement of Functional Expenses-2017 .....	25
Consolidating Statement of Cash Flows-2018 .....	26
Consolidating Statement of Cash Flows-2017 .....	27
Statement of Activities – IRN Only-2018 .....	28
Statement of Activities – IRN Only-2017 .....	29

## INDEPENDENT AUDITOR'S 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, 2018 and 2017, 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.

### Auditor's 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 auditor's 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, 2018 and 2017, 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.

## **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information within pages 20 – 29 is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**SQUAR MILNER LLP**

San Francisco, California  
March 19, 2020

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 803,219	\$ 377,925
Investments	-	95,737
Pledges and grants receivable - net	1,054,873	694,923
Other receivables	445	-
Prepaid expenses	14,708	40,788
Total current assets	1,873,245	1,209,373
<b>Pledges and grants receivable beyond one year, net</b>	513,295	49,383
<b>Investments</b>	231,799	-
<b>Deposits</b>	10,491	26,291
<b>Property and equipment, net</b>	10,064	23,784
Total assets	\$ 2,638,894	\$ 1,308,831
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 14,314	\$ 72,583
Accrued time-off liability	144,293	128,241
Deferred revenue	10,000	-
Grants payable	75,000	-
Total current liabilities	243,607	200,824
<b>Security deposit</b>	3,365	3,365
Total liabilities	246,972	204,189
<b>Net assets</b>		
Without donor restrictions	(328,016)	(227,038)
With donor restrictions	2,719,938	1,331,680
Total net assets	2,391,922	1,104,642
Total liabilities and net assets	\$ 2,638,894	\$ 1,308,831

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
For the Years Ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Foundation and corporate grants	\$ 50,000	\$ 3,513,193	\$ 3,563,193	\$ 75,024	\$ 1,552,929	\$ 1,627,953
Contributions	102,145	-	102,145	238,121	-	238,121
In-kind contributions	576,370	-	576,370	73,566	-	73,566
Contract revenue	-	-	-	6,306	-	6,306
Interest and dividends	191	-	191	6,217	-	6,217
Gains from investments	1,674	-	1,674	21,479	-	21,479
Other income	3,600	-	3,600	38,747	-	38,747
Net assets released from restrictions:						
Purpose accomplished or time restriction met	2,124,935	(2,124,935)	-	1,482,147	(1,482,147)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>2,858,915</b>	<b>1,388,258</b>	<b>4,247,173</b>	<b>1,941,607</b>	<b>70,782</b>	<b>2,012,389</b>
<b>EXPENSES</b>						
Program services	2,463,440	-	2,463,440	1,841,895	-	1,841,895
Supporting services:						
Management and general	309,373	-	309,373	293,185	-	293,185
Fundraising	187,080	-	187,080	279,315	-	279,315
<b>TOTAL EXPENSES</b>	<b>2,959,893</b>	<b>-</b>	<b>2,959,893</b>	<b>2,414,395</b>	<b>-</b>	<b>2,414,395</b>
<b>CHANGE IN NET ASSETS</b>	<b>(100,978)</b>	<b>1,388,258</b>	<b>1,287,280</b>	<b>(472,788)</b>	<b>70,782</b>	<b>(402,006)</b>
<b>NET ASSETS - beginning of year</b>	<b>(227,038)</b>	<b>1,331,680</b>	<b>1,104,642</b>	<b>245,750</b>	<b>1,260,898</b>	<b>1,506,648</b>
<b>NET ASSETS - end of year</b>	<b>\$ (328,016)</b>	<b>\$ 2,719,938</b>	<b>\$ 2,391,922</b>	<b>\$ (227,038)</b>	<b>\$ 1,331,680</b>	<b>\$ 1,104,642</b>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2018**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 935,970	\$ 19,366	\$ 129,178	\$ 1,084,514
Payroll taxes	53,941	1,112	8,514	63,567
Employee benefits	85,468	2,333	11,921	99,722
Professional fees	783,273	199,784	4,996	988,053
Occupancy	86,353	38,781	5,712	130,846
Travel and meals	179,943	7,361	7,278	194,582
Dues, licenses, and other fees	24,131	2,894	7,997	35,022
Grants to others	178,629	-	-	178,629
Copying and printing	5,775	617	124	6,516
Conferences, conventions, and meetings	58,471	66	14	58,551
Depreciation	8,646	4,193	881	13,720
Supplies	19,475	797	15	20,287
Equipment rental and maintenance	11,969	6,187	428	18,584
Telephone	12,143	795	234	13,172
Information technology	7,307	6,807	557	14,671
Postage and shipping	1,948	1,175	672	3,795
Insurance	-	5,738	-	5,738
Staff training	222	-	-	222
Advertising and promotion	2,551	1,664	46	4,261
Bad debts	-	-	8,513	8,513
Miscellaneous	7,225	9,703	-	16,928
Total expenses	<u>\$ 2,463,440</u>	<u>\$ 309,373</u>	<u>\$ 187,080</u>	<u>\$ 2,959,893</u>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2017**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 879,819	\$ 145,151	\$ 115,500	\$ 1,140,470
Payroll taxes	65,825	10,140	9,176	85,141
Employee benefits	98,765	11,384	7,015	117,164
Professional fees	193,889	75,493	66,690	336,072
Occupancy	113,775	10,931	46,927	171,633
Travel and meals	200,807	3,431	10,988	215,226
Dues, licenses, and other fees	43,339	4,982	11,106	59,427
Grants to others	42,491	-	-	42,491
Copying and printing	5,246	3,392	4,776	13,414
Conferences, conventions, and meetings	57,764	446	453	58,663
Depreciation	12,365	1,800	1,830	15,995
Supplies	21,628	2,031	678	24,337
Equipment rental and maintenance	7,452	4,942	744	13,138
Telephone	11,976	2,608	399	14,983
Information technology	4,699	629	639	5,967
Postage and shipping	1,205	467	1,220	2,892
Insurance	242	5,950	176	6,368
Staff training	825	218	18	1,061
Advertising and promotion	264	165	980	1,409
Bad debts	75,540	-	-	75,540
Miscellaneous	3,979	9,025	-	13,004
		-	-	
Total expenses	<u>\$ 1,841,895</u>	<u>\$ 293,185</u>	<u>\$ 279,315</u>	<u>\$ 2,414,395</u>



**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,287,280	\$ (402,006)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	13,720	15,995
Loss on asset disposals	-	682
Bad debts	8,513	75,540
Gains from investments	(1,674)	(21,479)
(Increase) decrease in operating assets:		
Pledges, grants and other receivables	(832,820)	73,358
Prepaid expenses	26,080	13,340
Deposits	15,800	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(58,269)	14,301
Accrued time-off liability	16,052	(18,408)
Deferred revenue	10,000	(2,271)
Grants payable	75,000	(20,456)
Deferred rent	-	(23,180)
Security deposit	-	(345)
	<b>559,682</b>	<b>(294,929)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(11,058)
Purchase of investments	(231,799)	(28,492)
Proceeds from sale of investments	97,411	153,460
	<b>(134,388)</b>	<b>113,910</b>
<b>Net cash (used in) provided by investing activities</b>		
	<b>425,294</b>	<b>(181,019)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of the year</b>	<b>377,925</b>	<b>558,944</b>
<b>CASH AND CASH EQUIVALENTS - end of the year</b>	<b>\$ 803,219</b>	<b>\$ 377,925</b>

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

**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 and defend the rights 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.

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 activities in the CA and HK entities during the year ended December 31, 2018 and 2017.

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).

***Basis of Accounting***

The financial statements of IRN and its Subsidiaries 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 United States of America for Not-for-Profit Organizations ("U.S. GAAP").

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

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

***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 conditions are met.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, IRN considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

***Investments***

Investments in marketable securities are recorded at fair value based on quoted prices in active markets. Investments in debt securities are reported at fair value using pricing models maximizing the use of observable inputs for similar securities. Certificate of deposits are recorded at cost plus interest which approximates fair value. Unrealized gains and losses are included in the change in net assets. Investment income, gains and losses are reported as increases in net assets without donor restrictions unless a donor restricts their use.

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

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

***Fair Value Measurements***

IRN 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.

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-based discount rate. No additional allowance for uncollectible promises to give were provided at December 31, 2018 and 2017 as management believes that all promises to give are fully collectible.

***Property and Equipment***

IRN records acquisitions of items with a cost of \$1,000 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.

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

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

***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.

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, 2018 and 2017. 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.

***Grants and Contributions***

Grants and contributions are recognized when the donors makes a promise to IRN 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 statement of activities as net assets released from restrictions.

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.

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.

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

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

***In-Kind Services***

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 statement of activities, amounting to \$576,370 and \$73,556 during the years ended December 31, 2018 and 2017, 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 IRN 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 investments, valuation of grants and pledges receivable, and the functional allocation of expenses. Actual results could differ from those estimates.

***Foreign Operations***

IRN's foreign wholly owned for-profit subsidiaries are located in China and Hong Kong. Additionally, in connection with its worldwide activities, IRN operates in various countries outside the United States including Brazil, South Africa, India, Thailand and Australia. 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 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.

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

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

***Recently Issued Accounting Standards***

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, Leases. This standard modifies the principles that lessees and lessors apply to report information in their financial statements about the amount, timing, and uncertainty of cash flows arising from leases. The standard requires lessees to recognize most leases on their statement of financial position. The new guidance is effective for nonpublic entities for fiscal years beginning after December 15, 2020. The Organization is currently evaluating the impact of adopting the new lease standard on its financial statements.

In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) - Clarifying the scope and accounting guidance for contributions received and contributions made. These amendments clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by all entities, including business entities. The amendments should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional or unconditional. The new ASU does not apply to transfers of assets from governments to businesses.

ASU 2018-08 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2018 for entities that serve as a resource recipient, and years beginning after December 15, 2019 for entities that serve as a resource provider. The Organization is currently evaluating the impact of adopting the new standard on its financial statements.

***Subsequent Events***

IRN has evaluated subsequent events through March 19, 2020, the date on which the financial statements were available to be issued (refer to Note 13).

**2. CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject IRN 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, 2018 and 2017, 66% and 62% of foundation and corporate grants were from four grantors, respectively. At December 31, 2018 and 2017, 70% and 62% of pledges and grants receivable were from four and three grantors, respectively.

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

**3. NEW ACCOUNTING PRONOUNCEMENT**

In August 2016, The FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 changes how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. IRN has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The new standard changed the following aspects of IRN's financial statements:

- 1) The temporarily restricted net asset class has been renamed net assets with donor restrictions and the unrestricted net asset class has been renamed net assets without donor restrictions.
- 2) The financial statements include a new disclosure about liquidity and availability of financial assets (refer to Note 4).

The changes have the following effect on net assets at December 31, 2017:

Net asset class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets		
Available for operations	\$ (228,038)	\$ -
Temporarily restricted	1,331,680	-
Net assets without donor restrictions	-	(228,038)
Net assets with donor restrictions	-	1,331,680
	<u>\$ 1,103,642</u>	<u>\$ 1,103,642</u>



---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

**4. 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 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 Statement of Financial Position date as available to fund current operations.

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

Financial assets at year end:	
Cash and cash equivalents	\$ 803,219
Investments	231,799
Pledges and grants receivable - current	1,054,873
Pledges and grants receivable - beyond one year	513,295
Other receivables	445
	<u>2,603,631</u>
Less: Investments with maturity horizons beyond one year	(231,799)
Less: Pledges and grants receivable - beyond one year	(513,295)
Less: Net assets with donor restrictions - purpose unfulfilled beyond one year	<u>(699,872)</u>
Financial assets available for general expenditures	<u>\$ 1,158,665</u>

**5. DEFICIT IN NET ASSETS WITHOUT DONOR RESTRICTIONS**

For the years ended December 31, 2018 and 2017, IRN had a change in net assets without donor restrictions of (\$100,978) and (\$472,788), respectively, resulting in an ending deficit in net assets without donor restrictions at December 31, 2018 and 2017 of \$328,016 and \$227,038.

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

**6. INVESTMENTS**

Investments at December 31, 2018 and 2017 include the following:

	<u>2018</u>	<u>2017</u>
Certificate of deposits	\$ 231,799	\$ -
Exchange traded funds	-	31,779
Fixed income	-	9,977
Mutual funds	-	24,773
Stocks	-	29,208
	<u>\$ 231,799</u>	<u>\$ 95,737</u>

Investment in certificate of deposits have maturities from May 2021 through November 2022.

**7. FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis at December 31, 2018 and 2017 were as follows:

	<u>2018</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificate of deposits	<u>\$ -</u>	<u>\$ 231,799</u>	<u>\$ 231,799</u>
	<u>2017</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange traded funds	\$ 31,779	\$ -	\$ 31,779
Fixed income	-	9,977	9,977
Mutual funds	24,773	-	24,773
Stocks	29,208	-	29,208
	<u>\$ 85,760</u>	<u>\$ 9,977</u>	<u>\$ 95,737</u>

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

**8. PLEDGES AND GRANTS RECEIVABLE**

Pledges and grants receivable at December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Receivable in less than one year	\$ 1,054,873	\$ 694,923
Receivable in one to five years	550,000	55,000
	1,604,873	749,923
Less: discount to present value	(36,705)	(5,617)
	<u>\$ 1,568,168</u>	<u>\$ 744,306</u>

Long-term receivables have been discounted using interest rates ranging from 5.9% to 6.8%.

**9. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 77,146	\$ 77,146
Leasehold improvements	23,443	23,443
Library	5,000	5,000
	105,589	105,589
Less: accumulated depreciation	(95,525)	(81,805)
	<u>\$ 10,064</u>	<u>\$ 23,784</u>

For the years ended December 31, 2018 and 2017, depreciation expense amounted to \$13,720 and \$15,995, respectively.

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

**10. NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2018 and 2017 net assets with donor restrictions are available for the following purposes:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose:		
Latin America programs	\$ 857,670	\$ 191,704
South Asia programs	152,623	112,555
Southeast Asia programs	291,814	316,201
China programs	-	298,896
Africa programs	102,893	125,106
North America programs	-	13,050
Grants to others	12,000	-
Policy	-	1,743
	<u>1,417,000</u>	<u>1,059,255</u>
Subject to passage of time:		
Time-restricted	<u>1,214,888</u>	<u>200,000</u>
Subject to expenditure for specified purpose and passage of time:		
Latin America programs	88,050	53,196
Southeast Asia programs	-	19,229
	<u>88,050</u>	<u>72,425</u>
	<u>\$ 2,719,938</u>	<u>\$ 1,331,680</u>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

**10. NET ASSETS WITH DONOR RESTRICTIONS** (continued)

Releases of net assets with donor restrictions during the year ended December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Latin America programs	\$ 532,046	\$ 269,889
South Asia programs	207,318	350,057
Southeast Asia programs	349,759	326,523
China programs	298,897	147,796
Africa programs	463,720	290,562
North America programs	13,050	-
Grants to others	-	2,910
Policy	1,743	92,678
Time-restricted	258,402	1,732
	<u>\$ 2,124,935</u>	<u>\$ 1,482,147</u>

**11. CONDITIONAL GRANTS**

At December 31, 2018 and 2017, IRN had the following conditional promises to give:

<u>Condition</u>	<u>2018</u>	<u>2017</u>
Review and approval of progress reports	<u>\$ 30,000</u>	<u>\$ 21,653</u>

The conditions on these promises were not met as of December 31, 2018 and 2017, and therefore they are not recognized as support in the accompanying financial statements. Deferred revenue from the receipt of cash from these conditional grants as of December 31, 2018 and 2017 was \$10,000 and \$0, respectively.

---

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

---

**12. OPERATING LEASES**

IRN leases its offices under non-cancellable operating lease arrangements ranging in monthly payments from \$425 to \$2,900 expiring at various times through September 2020. In March 2018, IRN terminated its Oakland office lease of \$10,700 per month and entered into a new lease agreement at \$2,800 per month through October 2019. The lease was renewed for another 12 months at \$1,800 per month through September 2020. Future minimum payments under these arrangements are as follows:

<u>Year ending December 31,</u>	
2019	\$ 51,010
2020	<u>22,870</u>
	<u>\$ 73,880</u>

Rent expense for the years ended December 31, 2018 and 2017 was \$84,136 and \$141,439, respectively.

**13. SUBSEQUENT EVENTS**

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. IRN is in the process of seeking approval in closing the operations of its HK and CA entities.

In March 2020, the World Health Organization declared an outbreak of novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States and other countries. While any disruption is expected to be temporary, there is uncertainty around the duration. The Organization does not currently anticipate a material negative impact on its operations.

**SUPPLEMENTARY INFORMATION**

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**December 31, 2018**

	International Rivers Network	Fund for International Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo Environmental Consulting Company Limited	Yi Tai Rui Wo California, LLC	Eliminations	Total
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	\$ 796,519	\$ -	\$ 6,700	\$ -	\$ -	\$ -	\$ 803,219
Pledges and grants receivable	1,054,873	-	-	-	-	-	1,054,873
Other receivables	445	-	-	-	-	-	445
Prepaid expenses	14,708	-	-	-	-	-	14,708
Intercompany receivables	215,645	-	-	-	-	(215,645)	-
Total current assets	2,082,190	-	6,700	-	-	(215,645)	1,873,245
Pledges and grants receivable beyond one year, net	513,295	-	-	-	-	-	513,295
Investments	231,799	-	-	-	-	-	231,799
Deposits	10,491	-	-	-	-	-	10,491
Property and equipment, net	10,064	-	-	-	-	-	10,064
Investment in subsidiary	6,700	-	-	6,700	-	(13,400)	-
Total assets	\$ 2,854,539	\$ -	\$ 6,700	\$ 6,700	\$ -	\$ (229,045)	\$ 2,638,894
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current liabilities</b>							
Accounts payable and accrued expenses	\$ 14,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,314
Accrued time off liability	144,293	-	-	-	-	-	144,293
Deferred revenue	10,000	-	-	-	-	-	10,000
Grants payable	75,000	-	-	-	-	-	75,000
Intercompany payables	-	-	-	-	215,645	(215,645)	-
Total current liabilities	243,607	-	-	-	215,645	(215,645)	243,607
Accumulated losses in excess of investment in subsidiary	215,645	-	-	-	-	(215,645)	-
Security deposit	3,365	-	-	-	-	-	3,365
Total liabilities	462,617	-	-	-	215,645	(431,290)	246,972
<b>Net assets</b>							
Without donor restrictions	(328,016)	-	6,700	6,700	(215,645)	202,245	(328,016)
With donor restrictions	2,719,938	-	-	-	-	-	2,719,938
Total net assets	2,391,922	-	6,700	6,700	(215,645)	202,245	2,391,922
Total liabilities and net assets	\$ 2,854,539	\$ -	\$ 6,700	\$ 6,700	\$ -	\$ (229,045)	\$ 2,638,894



**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**December 31, 2017**

	International Rivers Network	Fund for International Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo Environmental Consulting Company Limited	Yi Tai Rui Wo California LLC	Eliminations	Total
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	\$ 361,675	\$ 12,135	\$ 3,650	\$ -	\$ 465	\$ -	\$ 377,925
Investments	-	95,737	-	-	-	-	95,737
Pledges and grants receivable	694,923	-	-	-	-	-	694,923
Prepaid expenses	36,070	-	4,718	-	-	-	40,788
Intercompany receivables	325,504	-	-	-	-	(325,504)	-
Total current assets	1,418,172	107,872	8,368	-	465	(325,504)	1,209,373
<b>Pledges and grants receivable beyond one year, net</b>	49,383	-	-	-	-	-	49,383
<b>Deposits</b>	26,291	-	-	-	-	-	26,291
<b>Property and equipment, net</b>	23,657	-	127	-	-	-	23,784
<b>Investment in subsidiary</b>	2,447	-	-	2,447	-	(4,894)	-
Total assets	<u>\$ 1,519,950</u>	<u>\$ 107,872</u>	<u>\$ 8,495</u>	<u>\$ 2,447</u>	<u>\$ 465</u>	<u>\$ (330,398)</u>	<u>\$ 1,308,831</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current liabilities</b>							
Accounts payable and accrued expenses	\$ 66,535	\$ -	6,048	\$ -	\$ -	\$ -	\$ 72,583
Accrued time off liability	128,241	-	-	-	-	-	128,241
Intercompany payables	-	109,474	-	-	216,030	(325,504)	-
Total current liabilities	194,776	109,474	6,048	-	216,030	(325,504)	200,824
<b>Accumulated losses in excess of investment in subsidiaries</b>	217,167	-	-	-	-	(217,167)	-
<b>Security deposit</b>	3,365	-	-	-	-	-	3,365
Total liabilities	415,308	109,474	6,048	-	216,030	(542,671)	204,189
<b>Net assets</b>							
Without donor restrictions	(227,038)	(1,602)	2,447	2,447	(215,565)	212,273	(227,038)
With donor restrictions	1,331,680	-	-	-	-	-	1,331,680
Total net assets	1,104,642	(1,602)	2,447	2,447	(215,565)	212,273	1,104,642
Total liabilities and net assets	<u>\$ 1,519,950</u>	<u>\$ 107,872</u>	<u>\$ 8,495</u>	<u>\$ 2,447</u>	<u>\$ 465</u>	<u>\$ (330,398)</u>	<u>\$ 1,308,831</u>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2018**

	International Rivers Network	Fund for International Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo Environmental Consulting Company Limited	Yi Tai Rui Wo California, LLC	Eliminations	Total
<b>SUPPORT AND REVENUE</b>							
Foundation and corporate grants	\$ 3,563,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,563,193
Contributions	102,145	-	-	-	-	-	102,145
In-kind contributions	576,370	-	-	-	-	-	576,370
Interest and dividends	103	58	30	-	-	-	191
Gains from investments	-	1,674	-	-	-	-	1,674
Fee for services	-	-	40,000	-	-	(40,000)	-
Other income	3,600	-	-	-	-	-	3,600
<b>TOTAL SUPPORT AND REVENUE</b>	<b>4,245,411</b>	<b>1,732</b>	<b>40,030</b>	<b>-</b>	<b>-</b>	<b>(40,000)</b>	<b>4,247,173</b>
<b>EXPENSES</b>							
Program services	2,427,583	-	35,777	-	80	-	2,463,440
Supporting services:							
Management and general	349,243	130	-	-	-	(40,000)	309,373
Fundraising	187,080	-	-	-	-	-	187,080
<b>TOTAL EXPENSES</b>	<b>2,963,906</b>	<b>130</b>	<b>35,777</b>	<b>-</b>	<b>80</b>	<b>(40,000)</b>	<b>2,959,893</b>
<b>CHANGE IN NET ASSETS BEFORE INCOME FROM SUBSIDIARIES</b>	<b>1,281,505</b>	<b>1,602</b>	<b>4,253</b>	<b>-</b>	<b>(80)</b>	<b>-</b>	<b>1,287,280</b>
Gains from investment in subsidiaries	5,775	-	-	4,253	-	(10,028)	-
<b>CHANGE IN NET ASSETS</b>	<b>1,287,280</b>	<b>1,602</b>	<b>4,253</b>	<b>4,253</b>	<b>(80)</b>	<b>(10,028)</b>	<b>1,287,280</b>
<b>NET ASSETS - at beginning of year</b>	<b>1,104,642</b>	<b>(1,602)</b>	<b>2,447</b>	<b>2,447</b>	<b>(215,565)</b>	<b>212,273</b>	<b>1,104,642</b>
<b>NET ASSETS - at end of year</b>	<b>\$ 2,391,922</b>	<b>\$ -</b>	<b>\$ 6,700</b>	<b>\$ 6,700</b>	<b>\$ (215,645)</b>	<b>\$ 202,245</b>	<b>\$ 2,391,922</b>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2017**

	International Rivers Network	Fund for International Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo Environmental Consulting Company Limited	Yi Tai Rui Wo California LLC	Eliminations	Total
<b>SUPPORT AND REVENUE</b>							
Foundation and corporate grants	\$ 1,862,427	\$ -	\$ -	\$ -	\$ -	\$ (234,474)	\$ 1,627,953
Contributions	238,121	-	-	-	-	-	238,121
In-kind contributions	73,566	-	-	-	-	-	73,566
Contract revenue	-	-	6,306	-	-	-	6,306
Interest and dividends	3,209	2,881	127	-	-	-	6,217
Gains from investments	-	21,479	-	-	-	-	21,479
Fee for services	-	-	48,600	-	-	(48,600)	-
Other income (expenses)	38,327	482	(62)	-	-	-	38,747
<b>TOTAL SUPPORT AND REVENUE</b>	<u>2,215,650</u>	<u>24,842</u>	<u>54,971</u>	<u>-</u>	<u>-</u>	<u>(283,074)</u>	<u>2,012,389</u>
<b>EXPENSES</b>							
Program services	1,674,910	234,474	166,880	-	48,705	(283,074)	1,841,895
Supporting services:							
Management and general	291,535	1,650	-	-	-	-	293,185
Fundraising	279,315	-	-	-	-	-	279,315
<b>TOTAL EXPENSES</b>	<u>2,245,760</u>	<u>236,124</u>	<u>166,880</u>	<u>-</u>	<u>48,705</u>	<u>(283,074)</u>	<u>2,414,395</u>
<b>CHANGE IN NET ASSETS BEFORE LOSSES FROM SUBSIDIARIES</b>	(30,110)	(211,282)	(111,909)	-	(48,705)	-	(402,006)
Losses from investments in subsidiaries	(371,896)	-	-	(111,909)	-	483,805	-
<b>CHANGE IN NET ASSETS</b>	(402,006)	(211,282)	(111,909)	(111,909)	(48,705)	483,805	(402,006)
<b>NET ASSETS - at beginning of year</b>	1,506,648	209,680	114,356	114,356	(166,860)	(271,532)	1,506,648
<b>NET ASSETS - at end of year</b>	<u>\$ 1,104,642</u>	<u>\$ (1,602)</u>	<u>\$ 2,447</u>	<u>\$ 2,447</u>	<u>\$ (215,565)</u>	<u>\$ 212,273</u>	<u>\$ 1,104,642</u>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2018**

	Program Services						Supporting Services							Total
	IRN Communications	IRN Campaigns	Fund for Intentional Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo California, LLC	Total Programs	IRN Management and General	FIR Management and General	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited Management and General	Yi Tai Rui Wo California, LLC Management and General	Eliminations	Total Management and General	IRN Fundraising	
Salaries	\$ 255	\$ 918,600	\$ -	\$ 17,115	\$ -	\$ 935,970	\$ 19,366	\$ -	\$ -	\$ -	\$ -	\$ 19,366	\$ 129,178	\$ 1,084,514
Payroll taxes	-	49,983	-	3,958	-	53,941	1,112	-	-	-	-	1,112	8,514	63,567
Employee benefits	29	80,724	-	4,716	-	85,468	2,333	-	-	-	-	2,333	11,921	99,722
Professional fees	4,573	776,284	-	2,415	-	783,273	199,654	130	-	-	-	199,784	4,996	988,053
Occupancy	578	79,393	-	6,382	-	86,353	38,781	-	-	-	-	38,781	5,712	130,846
Travel and meals	30	179,726	-	187	-	179,943	7,361	-	-	-	-	7,361	7,278	194,582
Dues, licenses, and other fees	11,329	12,337	-	466	-	24,131	2,894	-	-	-	-	2,894	7,997	35,022
Grants to others	-	178,629	-	-	-	178,629	-	-	-	-	-	-	-	178,629
Copy and printing	13	5,762	-	-	-	5,775	617	-	-	-	-	617	124	6,516
Conferences, conventions, and meetings	1	58,470	-	-	-	58,471	66	-	-	-	-	66	14	58,551
Depreciation	89	8,430	-	127	-	8,646	4,193	-	-	-	-	4,193	881	13,720
Supplies	1	19,223	-	250	-	19,475	797	-	-	-	-	797	15	20,287
Equipment rental and maintenance	20	11,949	-	-	-	11,969	6,187	-	-	-	-	6,187	428	18,584
Telephone	31	12,112	-	-	-	12,143	795	-	-	-	-	795	234	13,172
Information technology	128	7,179	-	-	-	7,307	6,807	-	-	-	-	6,807	557	14,671
Postage and shipping	12	1,775	-	161	-	1,948	1,175	-	-	-	-	1,175	672	3,795
Insurance	-	-	-	-	-	-	5,738	-	-	-	-	5,738	-	5,738
Staff training	-	222	-	-	-	222	-	-	-	-	-	-	-	222
Advertising and promotion	2,301	250	-	-	-	2,551	1,664	-	-	-	-	1,664	46	4,261
Miscellaneous	-	7,145	-	-	80	7,225	9,703	-	-	-	-	9,703	-	16,928
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-	8,513	8,513
Intercompany expenses	-	-	-	-	-	-	40,000	-	-	-	(40,000)	-	-	-
<b>Total expenses</b>	<b>\$ 19,390</b>	<b>\$ 2,408,193</b>	<b>\$ -</b>	<b>\$ 35,777</b>	<b>\$ 80</b>	<b>\$ 2,463,440</b>	<b>\$ 349,243</b>	<b>\$ 130</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (40,000)</b>	<b>\$ 309,373</b>	<b>\$ 187,080</b>	<b>\$ 2,959,893</b>

Note: There were no expenses incurred during the year ended December 31, 2018 for Yi Tai Rui Wo Environmental Consulting Company Limited.

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2017**

	Program Services							Supporting Services						
	IRN Communications	IRN Campaigns	Fund for International Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo California, LLC	Eliminations	Total Programs	IRN Management and General	FIR Management and General	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited Management and General	Yi Tai Rui Wo California, LLC Management and General	Total Management and General	IRN Fundraising	Total
Salaries	\$ 43,990	\$ 740,046	\$ -	\$ 95,783	\$ -	\$ -	\$ 879,819	\$ 145,151	\$ -	\$ -	\$ -	\$ 145,151	\$ 115,500	\$ 1,140,470
Payroll taxes	3,654	37,151	-	25,020	-	-	65,825	10,140	-	-	-	10,140	9,176	85,141
Employee benefits	6,381	76,120	-	16,264	-	-	98,765	11,384	-	-	-	11,384	7,015	117,164
Professional fees	7,985	183,512	-	2,392	-	-	193,889	73,882	1,611	-	-	75,493	66,690	336,072
Occupancy	3,501	87,484	-	22,790	-	-	113,775	10,931	-	-	-	10,931	46,927	171,633
Travel and meals	1,293	198,855	-	659	-	-	200,807	3,431	-	-	-	3,431	10,988	215,226
Dues, licenses, and other fees	8,669	32,149	-	2,416	105	-	43,339	4,943	39	-	-	4,982	11,106	59,427
Grants to others	-	42,491	-	-	-	-	42,491	-	-	-	-	-	-	42,491
Copy and printing	150	5,086	-	10	-	-	5,246	3,392	-	-	-	3,392	4,776	13,414
Conferences, conventions, and meetings	197	57,544	-	23	-	-	57,764	446	-	-	-	446	453	58,663
Depreciation	609	11,375	-	381	-	-	12,365	1,800	-	-	-	1,800	1,830	15,995
Supplies	455	20,784	-	389	-	-	21,628	2,031	-	-	-	2,031	678	24,337
Equipment rental and maintenance	687	6,393	-	372	-	-	7,452	4,942	-	-	-	4,942	744	13,138
Telephone	133	11,704	-	139	-	-	11,976	2,608	-	-	-	2,608	399	14,983
Information technology	321	4,378	-	-	-	-	4,699	629	-	-	-	629	639	5,967
Postage and shipping	78	885	-	242	-	-	1,205	467	-	-	-	467	1,220	2,892
Insurance	12	230	-	-	-	-	242	5,950	-	-	-	5,950	176	6,368
Staff training	6	819	-	-	-	-	825	218	-	-	-	218	18	1,061
Advertising and promotion	174	90	-	-	-	-	264	165	-	-	-	165	980	1,409
Bad debt	-	75,540	-	-	-	-	75,540	-	-	-	-	-	-	75,540
Miscellaneous	-	3,979	-	-	-	-	3,979	-	-	-	-	-	-	13,004
Intercompany expenses	-	-	234,474	-	48,600	(283,074)	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 78,294</b>	<b>\$ 1,596,617</b>	<b>\$ 234,474</b>	<b>\$ 166,880</b>	<b>\$ 48,705</b>	<b>\$ (283,074)</b>	<b>\$ 1,841,895</b>	<b>\$ 291,535</b>	<b>\$ 1,650</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 293,185</b>	<b>\$ 279,315</b>	<b>\$ 2,414,395</b>

Note: There were no expenses incurred during the year ended December 31, 2017 for Yi Tai Rui Wo Environmental Consulting Company Limited.

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2018**

	International Rivers Network	Fund for International Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo Environmental Consulting Company Limited	Yi Tai Rui Wo California, LLC	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Change in net assets	\$ 1,287,280	\$ 1,602	\$ 4,253	\$ 4,253	\$ (80)	\$ (10,028)	\$ 1,287,280
Adjustments to reconcile change in net assets to net cash from operating activities:							
Depreciation	13,593	-	127	-	-	-	13,720
Bad debts	8,513	-	-	-	-	-	8,513
Gains from investments	-	(1,674)	-	-	-	-	(1,674)
Gains from investments in subsidiaries	(5,775)	-	-	(4,253)	-	10,028	-
(Increase) Decrease in operating assets:							
Pledges, grants and other receivables	(722,961)	-	-	-	-	(109,859)	(832,820)
Prepaid expenses	21,362	-	4,718	-	-	-	26,080
Deposits	15,800	-	-	-	-	-	15,800
Increase (decrease) in operating liabilities:							
Accounts payable and accrued expenses	(52,221)	(109,474)	(6,048)	-	(385)	109,859	(58,269)
Accrued time-off liability	16,052	-	-	-	-	-	16,052
Deferred revenue	10,000	-	-	-	-	-	10,000
Grants payable	75,000	-	-	-	-	-	75,000
<b>Net cash provided by (used in) operating activities</b>	<u>666,643</u>	<u>(109,546)</u>	<u>3,050</u>	<u>-</u>	<u>(465)</u>	<u>-</u>	<u>559,682</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investments	(231,799)	-	-	-	-	-	(231,799)
Proceeds from sale of investments	-	97,411	-	-	-	-	97,411
<b>Net cash provided by (used in) investing activities</b>	<u>(231,799)</u>	<u>97,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(134,388)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	434,844	(12,135)	3,050	-	(465)	-	425,294
<b>CASH AND CASH EQUIVALENTS - beginning of the year</b>	<u>361,675</u>	<u>12,135</u>	<u>3,650</u>	<u>-</u>	<u>465</u>	<u>-</u>	<u>377,925</u>
<b>CASH AND CASH EQUIVALENTS - end of the year</b>	<u>\$ 796,519</u>	<u>\$ -</u>	<u>\$ 6,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 803,219</u>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2017**

	International Rivers Network	Fund for International Rivers	Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited	Yi Tai Rui Wo Environmental Consulting Company Limited	Yi Tai Rui Wo California, LLC	Eliminations	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Change in net assets	\$ (402,006)	\$ (211,282)	\$ (111,909)	\$ -	\$ (48,705)	\$ 371,896	\$ (402,006)
Adjustments to reconcile change in net assets to net cash from operating activities:							
Depreciation	15,615	-	380	-	-	-	15,995
Loss on assets disposals	682	-	-	-	-	-	682
Bad debts	75,540	-	-	-	-	-	75,540
Gains from investments	-	(21,479)	-	-	-	-	(21,479)
Losses from investments in subsidiaries	371,896	-	-	-	-	(371,896)	-
(Increase) Decrease in operating assets:							
Pledges, grants and other receivables	(3,529)	-	8,813	-	-	68,074	73,358
Prepaid expenses	(9,383)	-	22,723	-	-	-	13,340
Increase (decrease) in operating liabilities:							
Accounts payable and accrued expenses	9,411	109,474	4,890	-	(41,400)	(68,074)	14,301
Accrued time-off liability	(5,324)	-	(13,084)	-	-	-	(18,408)
Deferred revenue	(2,271)	-	-	-	-	-	(2,271)
Grants payable	(20,456)	-	-	-	-	-	(20,456)
Deferred rent	(23,180)	-	-	-	-	-	(23,180)
Security deposit	(345)	-	-	-	-	-	(345)
<b>Net cash provided by (used in) operating activities</b>	<b>6,650</b>	<b>(123,287)</b>	<b>(88,187)</b>	<b>-</b>	<b>(90,105)</b>	<b>-</b>	<b>(294,929)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of property and equipment	(11,058)	-	-	-	-	-	(11,058)
Purchase of investments	-	(28,492)	-	-	-	-	(28,492)
Proceeds from sale of investments	-	153,460	-	-	-	-	153,460
<b>Net cash provided by (used in) investing activities</b>	<b>(11,058)</b>	<b>124,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,910</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,408)</b>	<b>1,681</b>	<b>(88,187)</b>	<b>-</b>	<b>(90,105)</b>	<b>-</b>	<b>(181,019)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of the year</b>	<b>366,083</b>	<b>10,454</b>	<b>91,837</b>	<b>-</b>	<b>90,570</b>	<b>-</b>	<b>558,944</b>
<b>CASH AND CASH EQUIVALENTS - end of the year</b>	<b>\$ 361,675</b>	<b>\$ 12,135</b>	<b>\$ 3,650</b>	<b>\$ -</b>	<b>\$ 465</b>	<b>\$ -</b>	<b>\$ 377,925</b>

**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**STATEMENT OF ACTIVITIES – IRN ONLY**  
**For the Year Ended December 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Foundation and corporate grants	\$ 50,000	\$ 3,513,193	\$ 3,563,193
Contributions	102,145	-	102,145
In-kind contributions	576,370	-	576,370
Interest and dividends	103	-	103
Other income	3,600	-	3,600
Net assets released from restrictions:			
Purpose accomplished or time restriction met	<u>2,124,935</u>	<u>(2,124,935)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>2,857,153</u>	<u>1,388,258</u>	<u>4,245,411</u>
<b>EXPENSES</b>			
Program services	2,427,583	-	2,427,583
Supporting services:			
Administration	349,243	-	349,243
Fundraising	<u>187,080</u>	<u>-</u>	<u>187,080</u>
<b>TOTAL EXPENSES</b>	<u>2,963,906</u>	<u>-</u>	<u>2,963,906</u>
<b>CHANGE IN NET ASSETS BEFORE LOSSES FROM SUBSIDIARIES</b>	(106,753)	1,388,258	1,281,505
Gains from investments in subsidiaries	<u>5,775</u>	<u>-</u>	<u>5,775</u>
<b>CHANGE IN NET ASSETS</b>	(100,978)	1,388,258	1,287,280
<b>NET ASSETS - at beginning of year</b>	<u>(227,038)</u>	<u>1,331,680</u>	<u>1,104,642</u>
<b>NET ASSETS - at end of year</b>	<u>\$ (328,016)</u>	<u>\$ 2,719,938</u>	<u>\$ 2,391,922</u>



**INTERNATIONAL RIVERS NETWORK AND SUBSIDIARIES**  
**STATEMENT OF ACTIVITIES – IRN ONLY**  
**For the Year Ended December 31, 2017**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Foundation and corporate grants	\$ 309,498	\$ 1,552,929	\$ 1,862,427
Contributions	238,121	-	238,121
In-kind contributions	73,566	-	73,566
Interest and dividends	3,209	-	3,209
Other income	38,327	-	38,327
Net assets released from restrictions:			
Purpose accomplished or time restriction met	<u>1,482,147</u>	<u>(1,482,147)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>2,144,868</u>	<u>70,782</u>	<u>2,215,650</u>
<b>EXPENSES</b>			
Program services	1,674,910	-	1,674,910
Supporting services:			
Administration	291,535	-	291,535
Fundraising	<u>279,315</u>	<u>-</u>	<u>279,315</u>
<b>TOTAL EXPENSES</b>	<u>2,245,760</u>	<u>-</u>	<u>2,245,760</u>
<b>CHANGE IN NET ASSETS BEFORE LOSSES FROM SUBSIDIARIES</b>	(100,892)	70,782	(30,110)
Losses from investment in subsidiaries	<u>(371,896)</u>	<u>-</u>	<u>(371,896)</u>
<b>CHANGE IN NET ASSETS</b>	(472,788)	70,782	(402,006)
<b>NET ASSETS - at beginning of year</b>	<u>245,750</u>	<u>1,260,898</u>	<u>1,506,648</u>
<b>NET ASSETS - at end of year</b>	<u>\$ (227,038)</u>	<u>\$ 1,331,680</u>	<u>\$ 1,104,642</u>