

THE VETIVER NETWORK (INTERNATIONAL)

THE VETIVER SYSTEM - PROVEN & 'GREEN' ENVIRONMENTAL SOLUTIONS



The Vetiver Network is an
IRS approved tax-exempt
NGO under code 501(c)(3)

Patron - H.R.H. Princess
Maha Chakri Sirindhorn
of Thailand

OFFICERS

- **Chairman** -
Richard Grimshaw O.B.E.

- **President** -
Dale Rachmeler PhD

- **Secretary** -
Mark Dafforn PhD

- **Treasurer** -
Richard Grimshaw O.B.E.

DIRECTORS

John Greenfield MSc

Chriss Juliard PhD

James Smyle PhD

Paul Truong PhD

Sumet Tantivejkul PhD

Monty Yudelman PhD

Paul Zuckerman PhD

CONTACT

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The Board of Directors
The Vetiver Network (International)

2006 Financial Statements

As Treasurer of The Vetiver Network (International) I have prepared the Financial Statements for 2006 covering TVN(I)'s operations and programs.

I have reviewed our accounts and have prepared the attached financial statements. The 2006 tax returns have also been prepared.

The financial statements presented for 2006 are prepared from Quick Books data and balances, and meet the accounting requirements of the Internal Revenue Service in the preparation of the tax return form 990-PF.

Also attached are notes relating to this years Financial Statements.

Yours Sincerely

Richard G Grimshaw
Treasurer
February 11 2007

THE VETIVER NETWORK

Notes to Financial Statements

December 31, 2004 and 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Vetiver Network (TVN(I)) was incorporated in 1995, pursuant to Chapter 9 of Title 13.1 of the Code of Virginia for the purpose of promoting conservation and environmental activities. TVN(I)'s primary focus is the dissemination of information about vetiver grass technology, and other related technologies, for the purpose of soil conservation, land rehabilitation, phyto-remediation of polluted resources, and the general promotion of better natural resource management on a worldwide basis.

Basis of Accounting

The financial statements of TVN(I) have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

TVN(I) reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Income Tax Status

TVN(I) is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal revenue Code. TVN(I) has been classified as a private

foundation within the meaning of Section 509 (a).

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents are considered to be all unrestricted highly liquid investments with maturities of three months or less at the time of acquisition.

Furniture and Equipment

Purchased property and equipment is capitalized at cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated using a straight line method over their estimated useful lives of five to seven years. During the year an obsolete computer, a non repairable external hard drive, and an outdated digital camera (transferred to the Congo) were taken out of service and removed from the list of assets.

Donated Furniture and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions.

Absent donor stipulations regarding how long those donated assets must be maintained, TVN(I) reports expirations of donor restrictions when the donated or acquired net assets are placed in service as instructed by the donor. TVN(I) reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributions

Contributions received are recorded as unrestricted temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets represent funds provided with a type-of-use restriction. There are no temporarily restricted assets that are time-of-availability restricted.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is when a stipulated time restriction ends or a purpose of restriction is accomplished,, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be

purchased if not provided by donation, are recorded at their fair value in the period received.

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Sales

TVN(I) produces DVDs and publications promoting the use of the Vetiver Technology. TVN(I)'s policy is to provide items to those requesting them without regard to the requestor's ability to pay. Amounts received from those who pay are included in sales.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities that represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

Allocation of Joint Costs

All costs related to a joint activity (program or management and general) are recorded as fundraising costs, unless the activity meets several criteria. These criteria relate to the purpose, the intended audience, and the content of the joint activity, TVN(I) has no such joint activities during 2004.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following on December 31 2005 and 2004:

	<u>2006</u>	<u>2005</u>
Savings – operating	\$ 2479.94	\$ 23,546
Non- interest bearing checking account	19865.84	2,720
Petty cash	<u>-42.25</u>	<u>16</u>
	<u>\$22,303.53</u>	<u>\$ 26,282</u>

NOTE C – CONCENTRATIONS

TVN(I) receives the majority of its support through contributions, award and grants. If this support ceases, it would cause a significant impact on TVN(I)'s ability to continue its operations.

THE VETIVER NETWORK
STATEMENT OF FINANCIAL POSITION
Year Ended Dec 31 2006

ASSETS

	2,006	2,005
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	\$22,304	\$26,282
Restricted	-	-
Grants Receivable	20,000	20,000
 TOTAL CURRENT ASSETS	 22,304	 46,282
 Furniture and Equipment	 6,640	 9,972
Accumulated Depreciation	(4,558)	(8,822)
	2,082	1,150
	 \$24,386	 \$47,432

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$-	\$102
Grants Payable	-	-
 TOTAL CURRENT LIABILITIES	 -	 102
NET ASSETS		
Unrestricted	24,386	47,330
Temporarily restricted	-	-
	24,386	47,330
	 \$24,386	 \$47,432

THE VETIVER NETWORK (International)
STATEMENT OF ACTIVITIES
Year Ended Dec 31 2006

(with comparative totals for Year Ended December 31 2006)

	Unrestricted	Temporarily Restricted	Totals	
			2,006	2,005
REVENUES AND SUPPORT				
Contributions	\$ -	\$15,000	15,000	\$40,000
sales	67	-	67	132
Interest	399	-	399	432
Royalties	-	-	-	20
Net assets released from restriction	-	-	-	-
	<u>466</u>	<u>15,000</u>	<u>15,466</u>	<u>40,583</u>
EXPENSES				
Programs				
NGO Support	2,520	10,000	12,520	-
Research awards	10,000	-	10,000	2,000
Workshops, Training	3,426	-	3,426	3
Travel and Research Grants	2,898	5,000	7,898	5,950
Travel and entertainment	1,538	-	1,538	-
Network support	433	-	433	1,013
Congo Program	-	-	-	36,800
	<u>20,815</u>	<u>15,000</u>	<u>35,815</u>	<u>46,214</u>
Management and General				
Depreciation	721	-	721	630
Legal and Professional Fees	25	-	25	25
Office Expense & Insurance	1,581	-	1,581	1,550
Postage & Telephone	268	-	268	449
Taxes	-	-	-	(39)
	<u>2,595</u>	<u>-</u>	<u>2,595</u>	<u>2,615</u>
	<u>23,410</u>	<u>15,000</u>	<u>38,410</u>	<u>48,829</u>
INCREASE (DECREASE) NET ASSETS	(22,944)	-	(22,944)	(8,246)
NET ASSETS AT BEGINNING OF YEAR	<u>47,330</u>	<u>-</u>	<u>47,330</u>	<u>55,126</u>
NET ASSETS AT END OF YEAR	<u>\$24,386</u>	<u>\$ -</u>	<u>\$24,386</u>	<u>\$46,880</u>

THE VETIVER NETWORK (international)
STATEMENT OF CASH FLOWS
Year Ended Dec 31 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	(22,944)	\$(7,797)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	721	630
(Increase) decrease in:		
Grants receivable	20,000	16,000
Increase (decrease) in:		
Accounts Payable	(102)	(1,200)
Grants payable	-	(13,000)
NET CASH USED IN OPERATING ACTIVITIES	(2,325)	(5,367)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Equipment	(1,653)	-
NET CASH USED IN INVESTING ACTIVITIES	(1,653)	-
DECREASE IN CASH AND CASH EQUIVALENTS	(3,978)	(5,367)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26,281	31,648
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$22,303	\$26,281