THE VETIVER NETWORK (INTERNATIONAL)

VETIVER SYSTEM - PROVEN AND GREEN ENVIRONMENTAL SOLUTIONS

Patron: Her Royal Highness Princess Maha Chakri Sirindhorn of Thailand

The Board of Directors
The Vetiver Network (International)

2008 Financial Statements

As your Treasurer, I have prepared the Financial Statements for 2008 covering TVNI's operations and programs.

I have reviewed our accounts and have prepared the attached financial statements. The 2008 tax returns – form 990-PF have also been prepared and are attached for your information..

The financial statements presented for 2008 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 10, 2009

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Chairman: Richard Grimshaw OBE. President: Dale Rachmeler. Secretary: Mark Dafforn. Treasurer: Richard Grimshaw.
Directors: John Greenfield, Criss Juliard, James Smyle, Paul Truong, Sumet Tantivejkhul, Monty Yudelman, Paul Zuckerman.

The Vetiver Network (International) is an IRS approved tax-exempt NGO under code 510 (c) (3)

THE VETIVER NETWORK (INTERNATIONAL)
Notes to Financial Statements
December 31, 2007 and 2006

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 monitor was 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 brochures and publications promoting the use of the Vetiver System. 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 2007.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following on December 31 2007 and 2008:

	2007	2008
Savings – operating	$ 35,651	$ 29,951
Non- interest bearing checking account	1,799	1,023
PayPal Account (Internet Sales)	13	-
Petty cash	31	-
	$ 37,494	$ 30,974

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 (International)
STATEMENT OF FINANCIAL POSITION
Year Ended Dec 31 2008

ASSETS

	2008	2007
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	$30,974	$37,494
Restricted	-	-
Grants Receivable	-	-
TOTAL CURRENT ASSETS	30,974	37,494
Furniture and Equipment	8,066	6,640
Accumulated Depreciation	(5,826)	(5,257)
	2,240	1,383
	$33,215	$38,877

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$5,512	$521
Grants Payable	-	-
TOTAL CURRENT LIABILITIES	5,512	521
NET ASSETS		
Unrestricted	27,703	38,356
Temporarily restricted	-	-
	27,703	38,356
	$33,215	$38,877

THE VETIVER NETWORK (International)
STATEMENT OF ACTIVITIES
Year Ended Dec 31 2008
(with comparative totals for Year Ended December 31 2007)

			Total	
	Unrestricted	**Temporarily Restricted**	**2,008**	**2,007**
REVENUES AND SUPPORT				
Contributions	$25,000	$-	$25,000	$44,469
sales	100	-	100	106
Interest	301	-	301	336
Royalties	140	-	140	25
	25,540	-	25,540	44,936
EXPENSES				
Programs				
TVN Awards program	555	-	555	-
Workshops, Training	17,016	-	17,016	13,912
Travel and Research Grants	-	-	-	700
Travel and entertainment	-	-	-	57
Network support (internet and Publications)	14,429	-	14,429	12,647
	32,001	-	32,001	27,316
Management and General				
Depreciation	895	-	895	699
Legal and Professional Fees	25	-	25	25
Office Expense & Insurance & Bank Services Charge	1,696	-	1,696	2,432
Postage & Telephone	1,576	-	1,576	494
Taxes	-	-	-	-
	4,192	-	4,192	3,650
	36,193	-	36,193	30,966
INCREASE (DECREASE) NET ASSETS	(10,653)	-	(10,653)	13,970
NET ASSETS AT BEGINNING OF YEAR	$38,356	$ -	$38,356	$24,386
NET ASSETS AT END OF YEAR	$27,703	$ -	$27,703	$38,356

THE VETIVER NETWORK (International)
STATEMENT OF CASH FLOWS
Year Ended Dec 31 2008

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$(10,653)	$13,970
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	895	699
(Increase) decrease in:		
Grants receivable	-	-
Increase (decrease) in:		
Accounts Payable	4,990	521
Grants payable	-	-
NET CASH USED IN OPERATING ACTIVITIES	(4,768)	15,190
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Equipment	(1,752)	-
NET CASH USED IN INVESTING ACTIVITIES	(1,752)	-
INCREASE IN CASH AND CASH EQUIVALENTS	(6,520)	15,190
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	37,494	22,304
CASH AND CASH EQIVALENTS AT END OF YEAR	$30,974	$37,494