



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

2018 Financial Statements

In 2018, Richard Grimshaw handed over the accounting responsibilities to me as the new assistant treasurer. In the first quarter of 2018 he physically transferred the accounting hard copy folders as well as all the soft copies including tax filings.

As your Assistant Treasurer, I have prepared the Financial Statements for 2018 covering TVNI's operations and programs (see attached). The 2018 tax return – form 990-PF – is being prepared, but we have no taxes due.

During 2018 program and management expenses totaled \$10,946 (program expenses all relate to the Solomon Island vetiver support program). Management expenses relate to bank fees and wire transfer fees. We did not expect management expenses to increase in 2018, indeed they decreased from \$530 in 2017 to \$265 in 2018. As of December 31, 2018, TVNI had a bank balance of \$29,702.28. Within these funds, \$5,000 has been quasi earmarked for support to the "Vetiver Tracking System" app development (iVGT) in case of need, \$4,753 for TVNI awards at the ICV-7.

The financial statements presented for 2018 are prepared from Quick Books data and generated reports and meet the accounting requirements of the Internal Revenue Service for preparation of the tax return form 990-PF (currently in process).

I draw your attention to attached notes at the end of the Financial Statements.

Yours Sincerely

Dale N. Rachmeler
Assistant Treasurer
January 31, 2019

Chairman, President, Treasurer: James Smyle.

*Directors: Yorlene Cruz Chaves, Richard Grimshaw OBE., Noah Mary Manarang, Roley Noffke, Elise Pinnars,
Dale Rachmeler, Paul Truong, Sumet Tantivejkhul, Paul Zuckerman.*

THE VETIVER NETWORK INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
Year Ended Dec 31 2018

(with comparative totals for Year Ended December 31 2017)

ASSETS

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	\$ 29,702	\$ 35,819
Temporarily Restricted	-	4,753
Accounts Receivable	-	4
Grants Receivable	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	29,702	40,576
Furniture and Equipment	-	-
Accumulated Depreciation	<u>-</u>	<u>-</u>
	<u>29,702</u>	<u>40,576</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	25	-
Grants payable	4,753	4,753
Other current liabilities		<u>-</u>
TOTAL CURRENT LIABILITIES	<u>4,778</u>	<u>4,753</u>
NET ASSETS		
Unrestricted	24,924	35,823
Temporarily restricted	<u>-</u>	<u>-</u>
	<u>24,924</u>	<u>35,823</u>
	<u>\$ 29,702</u>	<u>\$ 40,576</u>

THE VETIVER NETWORK INTERNATIONAL
STATEMENT OF ACTIVITIES
Year Ended Dec 31 2018
(with comparative totals for Year Ended December 31 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018</u>	<u>2017</u>
REVENUES AND SUPPORT				
Contributions		\$ -		\$ 31,750
Sales	-	-	-	-
Interest	4	-	3	2
Other	-	-	-	-
Royalties	43	-	43	66
	<u>47</u>	<u>-</u>	<u>46</u>	<u>31,818</u>
EXPENSES				
Programs				
TVN Awards program	-	-	-	-
Travel Grant	-	-	-	-
Workshops, Training	-	-	-	-
Grants to NGOs	-	-	-	-
Travel and entertainment	10,675	-	10,675	6,300
Network support (Internet & Publications)	6	-	6	540
	<u>10,681</u>	<u>-</u>	<u>10,681</u>	<u>6,840</u>
Management and General				
Depreciation	-	-	-	-
Legal and Professional Fees	25	-	25	25
Office Expense, Insurance & Bank Service Charges	240	-	240	505
Postage & Telephone	-	-	-	-
Taxes	-	-	-	-
Bad Debt	-	-	-	-
	<u>265</u>	<u>-</u>	<u>265</u>	<u>530</u>
	<u>10,946</u>	<u>-</u>	<u>10,946</u>	<u>7,370</u>
INCREASE (DECREASE) NET ASSETS	(10,899)	-	(10,899)	24,448
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 35,823</u>	<u>-</u>	<u>\$ 35,823</u>	<u>11,375</u>
NET ASSETS AT END OF YEAR	<u>\$ 24,924</u>	<u>\$ -</u>	<u>\$ 24,924</u>	<u>\$ 35,823</u>

STATEMENT OF CASH FLOWS**Year Ended Dec 31 2018**

(with comparative totals for Year Ended December 31 2017)

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (10,899)	\$ 24,448
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	\$ -	-
(Increase) decrease in:		
Accounts receivable	\$ 4	(4.03)
Increase (decrease) in:	\$ 25	
Accounts Payable		-
Grants payable	\$ -	(6,600)
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (10,870)</u>	<u>17,844</u>
 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Equipment	<u>-</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
 INCREASE IN CASH AND CASH EQUIVALENTS	\$ (10,870)	17,844
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>40,572</u>	<u>22,728</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR*	<u>\$ 29,702</u>	<u>\$ 40,572</u>

THE VETIVER NETWORK INTERNATIONAL
Notes to Financial Statements December 31, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Vetiver Network (TVNI) 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. TVNI'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 TVNI have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

TVNI 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

TVNI is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal revenue Code. TVNI has been classified as a private foundation within the meaning of Section 509 (a). It is currently registered in the state of Virginia.

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. See **NOTE B**.

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. TVNI currently has no assets in this class. See **NOTE C.**

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, TVNI reports expirations of donor restrictions when the donated or acquired net assets are placed in service as instructed by the donor. TVNI 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. **SEE NOTE D.**

Sales

TVNI produces brochures and publications promoting the use of the Vetiver System. TVNI'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 (if any). All sales are now carried out through third party merchants – TVNI receives a very modest (set deliberately low) royalty.

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. TVNI had no such joint activities during 2018.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following on December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Savings – operating	\$ 13,369	\$ 16,207
Non - interest bearing checking account	\$ 16,334	\$ 24,364

NOTE C – ASSETS

There are no non-cash assets. All equipment that TVNI owned is either totally obsolete or worn out or irreparable. The items have been disposed of and removed from the books.

NOTE D – CONTRIBUTIONS - RESTRICTED FUNDS

As of December 31, 2018, there are no restricted funds. (All previously restricted funds are now under Grants Payable). Funds allocated for future TVNI awards (\$4,253) are under the Grants Payable.