

TREES ONTARIO FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2007

AUDITOR'S REPORT

To the Board of Directors of
Trees Ontario Foundation

I have audited the statement of financial position of the Trees Ontario Foundation as at March 31, 2007 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations and changes in net assets for the year then ended in accordance with generally accepted accounting principles.

Aurora, Ontario
May 23, 2007.

Chartered Accountant

TREES ONTARIO FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31	2007	2006
	\$	\$
ASSETS		
Current		
Cash	-	347,870
Accrued interest	13,883	-
Amounts receivable	50,657	42,691
Inventory	60,819	-
Prepays	1,966	-
Total current assets	127,325	390,561
Long term		
Investments (market value \$1,526,144; 2006 - \$1,899,322)	1,492,716	1,899,322
Total long term assets	1,492,716	1,899,322
Capital assets	6,963	4,229
	1,627,004	2,294,112
LIABILITIES AND NET ASSETS		
Current		
Bank indebtedness	3,677	-
Accounts payable	24,396	334,271
Deferred revenue	1,447,443	1,853,086
Total current liabilities	1,475,516	2,187,357
Net assets		
Unrestricted net assets	149,434	102,526
Net assets invested in capital assets	2,054	4,229
	151,488	106,755
	1,627,004	2,294,112

See accompanying notes

On behalf of the Board: Director

Director

TREES ONTARIO FOUNDATION

STATEMENT OF OPERATIONS

AS AT MARCH 31	2007	2006
	\$	\$
REVENUE		
Project revenues		
Forest 2020 project	-	1,792,779
Natural Spaces	448,186	153,280
Oak Ridges Moraine	28,780	-
Ontario Trillium Foundation	34,327	-
City of Toronto	12,778	-
Maple Leafs Forever	1,127	-
Other income		
Donations	603	148
Interest	48,012	46,048
Dividends	38,934	-
Total revenue	612,747	1,992,255
EXPENSES		
Project expenses		
Forest 2020 project	-	1,792,779
Natural Spaces	448,186	153,280
Oak Ridges Moraine	28,780	-
Ontario Trillium Foundation	34,327	-
City of Toronto	12,778	-
Maple Leafs Forever	1,099	-
General and administrative	40,669	45,916
Total expenses	565,839	1,991,975
Excess of revenues over expenses before amortization	46,908	280
Amortization	(2,175)	(1,427)
Excess (deficiency) of revenues over expenses for the year	44,733	(1,147)

See accompanying notes

TREES ONTARIO FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

AS AT MARCH 31, 2007	Invested in capital assets \$	Unrestricted net assets	Total 2007 \$
Balance, beginning of year	4,229	102,526	106,755
Excess (deficiency) of revenues over expenses for the year	(2,175)	46,908	44,733
Balance, end of year	2,054	149,434	151,488

See accompanying notes

TREES ONTARIO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2007

1. PURPOSE OF ORGANIZATION AND INCORPORATION

Trees Ontario Foundation ("TOF") has been established to receive and maintain a fund or funds and to apply funds to support the implementation of tree establishment projects by organizations with similar objectives in the Province of Ontario. TOF was incorporated on March 22, 1994 under the Ontario Corporations Act as a non-profit organization without share capital. TOF is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes and may issue receipts to donors for income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trees Ontario Foundation have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

Revenue recognition -

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Investment income is recognized when the income has been earned.

Investments –

Investments are recorded at the lower of cost and market value.

Capital assets -

Capital assets are recorded at acquisition cost. Amortization is provided on the declining balance basis over the useful life of the assets at the following rates:

Telephone	- 20% per year
Computer	- 50% per year

TREES ONTARIO FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2007

3. CAPITAL ASSETS

2007	Cost	Accumulated Amortization	Net Book Value
Computers	5,206	3,087	2,119
Telephone system	6,705	1,861	4,844
	<u>11,911</u>	<u>4,948</u>	<u>6,963</u>

2006	Cost	Accumulated Amortization	Net Book Value
Computers	3,762	1,691	2,071
Telephone system	3,241	1,083	2,158
	<u>7,003</u>	<u>2,774</u>	<u>4,229</u>

4. COMPARATIVE FIGURES

Certain of the comparative figures for the prior year have been reclassified to conform to the presentation adopted in the current year.