

TREES ONTARIO
FINANCIAL STATEMENTS
MARCH 31, 2008

KAREN WILLIAMSON C.A.

289 CORNER RIDGE ROAD
AURORA, ONTARIO L4G 6L7
TEL: (905) 713-6575
FAX: (905) 713-6580

AUDITOR'S REPORT

To the Board of Trustees of
Trees Ontario

I have audited the statement of financial position of Trees Ontario as at March 31, 2008 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, 2008 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
June 2, 2008.

Karen Williamson
Licensed Public Accountant
Chartered Accountant

TREES ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31	2008	2007
	\$	\$
ASSETS		
Current		
Cash and short term investments	1,833,225	-
Accrued interest	14,592	13,883
Amounts receivable	29,411	50,657
Inventory	55,257	60,819
Prepays	18,290	1,966
Total current assets	1,950,775	127,325
Long term		
Investments (market value \$1,045,017; 2007 - \$1,526,144)	1,003,711	1,492,716
Total long term assets	1,003,711	1,492,716
Capital assets (note 3)	9,989	6,963
	2,964,475	1,627,004
LIABILITIES AND NET ASSETS		
Current		
Bank indebtedness	-	3,677
Accounts payable	129,098	24,396
Deferred revenue (note 4)	2,683,889	1,447,443
Total current liabilities	2,812,987	1,475,516
Net assets		
Unrestricted net assets	141,499	144,525
Net assets invested in capital assets	9,989	6,963
	151,488	151,488
	2,964,475	1,627,004

See accompanying notes

On behalf of the Board: Director

Director

Ay Khan
Sarif Bahallie

TREES ONTARIO

STATEMENT OF OPERATIONS

AS AT MARCH 31	2008	2007
	\$	\$
REVENUE		
Grants		
Provincial	1,864,565	448,186
Not-for-profit organizations	3,620	63,107
Local government	-	13,907
Donations	50,956	603
Other	359	-
Other income		
Interest	34	32,582
Dividends	-	38,934
Total revenue	1,919,534	597,319
EXPENSES		
Programs	891,714	269,301
Communications	340,868	160,950
Fundraising	170,518	3,384
General and administrative	72,329	41,935
Human resources	359,445	31,038
Professional fees	48,714	13,897
Travel and meetings	26,975	24,706
Trustee expenses	5,382	5,200
Total expenses	1,915,945	550,411
Excess of revenues over expenses before amortization	3,589	46,908
Amortization	(3,589)	(2,175)
Excess of revenues over expenses for the year	-	44,733

See accompanying notes

TREES ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

AS AT MARCH 31, 2008	Invested in capital assets \$	Unrestricted net assets	Total 2008 \$
Balance, beginning of year	6,963	144,525	151,488
Purchase of capital assets	6,615	(6,615)	-
Excess (deficiency) of revenues over expenses for the year	(3,589)	3,589	-
Balance, end of year	9,989	141,499	151,488

See accompanying notes

TREES ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2008

1. PURPOSE OF ORGANIZATION AND INCORPORATION

Trees Ontario 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. Trees Ontario was incorporated as Trees Ontario Foundation on March 22, 1994 under the Ontario Corporations Act as a non-profit organization without share capital. The name was changed to Trees Ontario in the current year to better reflect the organization's planning and coordinating role with its tree planting partners. Trees Ontario 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 have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

Revenue recognition -

Trees Ontario 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.

TREES ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2008

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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	- 30% per year

3. CAPITAL ASSETS

2008	Cost	Accumulated Amortization	Net Book Value
Computers	11,821	5,708	6,113
Telephone system	6,705	2,829	3,876
	<u>18,526</u>	<u>8,537</u>	<u>9,989</u>

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>

4. DEFERRED REVENUE

Deferred revenue represents unspent monies that have been externally restricted for various planting programs received in the current period that is related to a subsequent period. Changes in the balances are noted below.

TREES ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2008

4. DEFERRED REVENUE (cont'd)

	50 Million Trees (see note below)	Natural Spaces	Ontario Trillium Foundation	Oak Ridges Moraine Foundation	Total
Beginning balance	-	1,404,900	33,973	8,570	1,447,443
Add: amount received relating to the program	958,000	2,000,000	-	37,500	2,995,500
Less: amount recognized as expenditures in the year	(332,069)	(1,480,299)	(33,973)	(18,224)	(1,864,565)
Add: Net investment income	-	105,511	-	-	105,511
Ending balance	<u>625,931</u>	<u>2,030,112</u>	<u>-</u>	<u>27,846</u>	<u>2,683,889</u>

Note:

The Minister of Natural Resources ("MNR") has established the 50 Million Trees Program to regreen Ontario.

MNR has entered into an agreement with Trees Ontario on September 1, 2007 to support this program by funding Trees Ontario for the purpose of facilitating the planting of native trees on private and public lands as well as conducting a communications, public education and outreach program.

The agreement, which expires on April 30, 2009, provides for total funding of \$3,830,000. \$958,000 of which was received in the current year.

Trees Ontario has entered into planting commitments of \$2,037,000 for the 2008/09 fiscal year.

5. COMPARATIVE FIGURES

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