

SHADETREE PARTNERSHIP, INC.

FINANCIAL STATEMENTS

June 30, 2004

Sylvester & Kasten

Certified Public Accountants

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TAMMY L. BARRETT, C.P.A.


INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shadetree Partnership, Inc.

We have audited the accompanying statement of financial position of Shadetree Partnership, Inc. (A non-profit organization), as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shadetree Partnership, Inc. as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



January 18, 2005

SHADETREE PARTNERSHIP, INC.
BALANCE SHEET
June 30, 2004

ASSETS

CURRENT ASSETS

Cash \$ 31,036

TOTAL CURRENT ASSETS 31,036

TOTAL ASSETS \$ 31,036

LIABILITIES AND NET ASSETS

NET ASSETS

Net assets \$ 31,036

TOTAL NET ASSETS 31,036

TOTAL LIABILITIES AND NET ASSETS \$ 31,036

The accompanying notes are an integral part of these financial statements.

SHADETREE PARTNERSHIP, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2004

UNRESTRICTED NET ASSETS	
REVENUE	
Donations	\$ 12,059
Interest Income	311
Membership dues	<u>505</u>
TOTAL REVENUE	12,875
EXPENSES	
Supplies	<u>2,469</u>
TOTAL EXPENSES	<u>2,469</u>
INCREASE IN UNRESTRICTED NET ASSETS	10,406
BEGINNING NET ASSETS	<u>20,630</u>
ENDING NET ASSETS	<u>\$ 31,036</u>

The accompanying notes are an integral part of these financial statements.

SHADETREE PARTNERSHIP, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2004

Cash flows from operating activities:

Increase in net assets	\$ 10,406
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
TOTAL ADJUSTMENTS	<u>0</u>
NET CASH PROVIDED FROM OPERATING ACTIVITIES	10,406
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,406
CASH AND CASH EQUIVALENTS AT JULY 1, 2003	<u>20,630</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2004	<u>\$ 31,036</u>

The accompanying notes are an integral part of these financial statements.

SHADETREE PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 1 - ORGANIZATION

Shadetree Partnership, Inc. was incorporated on February 19, 1997.

The purposes of this organization are:

- A. To provide public awareness and understanding of urban forestry and the relationship urban forestry and the use and conservation of water resources;
- B. Provide an opportunity for on-site education about proper tree planting and care;
- C. Foster public participation in the enhancement and preservation of urban forest resources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting.

For the purpose of the statement of cash flows, all highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash equivalents.

NOTE 3 - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - CONTRIBUTIONS

Contributions received during the year were accepted to further the organizations purpose as stated in Note 1.

In-kind contributions in the amount of \$41,397 were provided by Irvine Ranch Water District during the year.