

Eco Impact
Financial Statements
For the year ended March 31, 2008

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Auditors' Report

To the Board of Directors of Eco Impact

We have audited the balance sheet of **Eco Impact** 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 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 Canadian generally accepted auditing standards. Those standards require that we 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 our 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 for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants

Barrie, Ontario
July 30, 2008

**Eco Impact
Balance Sheet**

March 31 2008 2007

Assets

Current

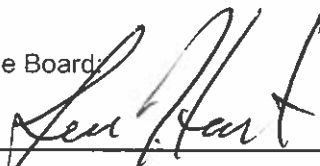
Cash (Note 1)	\$ 191,965	\$ 39,030
Accounts receivable	-	22,700
GST receivable	168	58
	<hr/>	<hr/>
	\$ 192,133	\$ 61,788

Liabilities and Net Assets

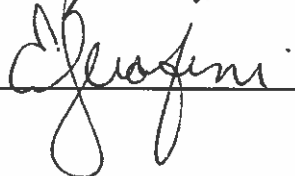
Net Assets

Unrestricted	\$ 192,133	\$ 61,788
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On behalf of the Board:



Director



Director

Eco Impact Statement of Operations and Changes in Net Assets

<u>For the year ended March 31</u>	<u>2008</u>	<u>2007</u>
Revenues		
Donations	\$ 2,275	\$ 40,000
Grants	135,049	-
Interface Event	-	37,700
Interest income	57	7
Miscellaneous income	-	30
	137,381	77,737
Expenses		
Interface Event	-	15,236
Uncollectible Interface Event revenue from 2007	5,000	-
Professional fees	1,500	848
General and office	468	-
Bank charges and interest	68	14
	7,036	16,098
Excess of revenues over expenses for the year	130,345	61,639
Net assets, beginning of year	61,788	149
Net assets, end of year	\$ 192,133	\$ 61,788

Eco Impact Summary of Significant Accounting Policies

March 31, 2008

- Nature of Business** Eco Impact is a not-for-profit organization and registered charity that works with organizations dedicated to improving air quality, protecting the climate and delivering measurable emissions reductions. These organizations develop and implement strategic environmental projects that have the infrastructure imbedded in them to quantify the environmental impact of their efforts, providing real and tangible results. It is Eco Impact's goal to increase public awareness surrounding the implications of these results and connect the public to better choices in conservation to improve the overall health of the planet.
- Basis of Presentation** These financial statements have been prepared and are presented in accordance with the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.
- Revenue Recognition** The organization recognizes grant revenue when a firm commitment has been made and the prospect of receipt of the grant is reasonably assured.
- Event income is recognized during the period the event is held and the related service has been delivered.
- Use of Estimates** The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 management's best estimates as additional information becomes available in the future.
- Financial Instruments** Eco Impact classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The organization's accounting policy for each category is as follows:
- Assets or liabilities held-for-trading**
- Financial instruments classified as assets or liabilities held-for-trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs. Transaction costs are expense when incurred.
- Cash has been classified as held-for-trading.

Eco Impact Summary of Significant Accounting Policies

March 31, 2008

Financial Instruments (continued)

Loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables, held-to-maturity investments and other financial liabilities are carried at amortized cost using the effective interest method. Interest income or expense is included in net income (loss) over the expected life of the instrument. Transaction costs are expense when incurred (or capitalized to the asset or liability).

Accounts receivable have been classified as loans and receivables.

Accounts payable have been classified as other financial liabilities.

All transactions related to financial instruments are recorded on a settlement date basis.

Income Taxes

The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to not-for-profit organizations in the income tax legislation.

Future Accounting Changes

CICA Handbook Section 3862, Financial Instruments - Disclosure, increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on the presentation of financial instruments, which have been carried forward unchanged. These standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. The Organization is currently evaluating the impact of the adoption of these changes on the disclosure and presentation within its financial statements.

Eco Impact Notes to the Financial Statements

For the year ended March 31, 2008

1. Cash

The organization maintains its cash at a Canadian chartered bank and earns interest at a variable rate.

2. Fair Value of Financial Instruments

The organization's financial instruments comprise cash and accounts receivable.

Cash and accounts receivable are reported at their fair values on the balance sheet. The fair values are the same as the carrying values due to their short-term nature.

3. Statement of Cash Flows

A statement of cash flows has not been presented as it does not provide any additional information to that presented in the Balance Sheet and Statement of Operations.

4. Change in Accounting Policy

On April 1, 2007, the organization retroactively adopted, without restatement of prior periods, Section 3861, "Financial Instruments - Disclosure and Presentation", and Section 3855, "Financial Instruments - Recognition and Measurement". These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments.

Under these new standards, all financial instruments, including derivatives, are included on the balance sheet and are measured either at fair market value or, in limited circumstances, at cost or amortized cost.

In accordance with the provisions of these new standards, the organization did not make any adjustments on April 1, 2007 since the financial instruments were already stated at, or close to fair value or amortized cost based on their classification as disclosed in the Summary of Significant Accounting Policies.

The adoption of these new standards had no material impact on the organization's balance sheet, and statements of operations and changes in net assets. Unrealized gains and losses were \$Nil.
