

[ANNUAL REPORT 2012-2013]



EASTERN ONTARIO
MODEL FOREST

Forests for Seven Generations

D.A.D.
1



Table of Contents

Message from the President: <i>Facing New Challenges</i>	2
The Year in Retrospective: <i>Highlights</i>	3
FOREST AND CHAIN OF CUSTODY CERTIFICATION	4
ONTARIO EAST WOOD CENTRE	4
SUPPORTING FOREST AND WOOD-BASED INDUSTRY IN EASTERN ONTARIO	5
REGIONAL FOREST HEALTH NETWORK	6
ECOLOGICAL GOODS & SERVICES: EXPLORING OPPORTUNITIES FOR BETTER RECOGNIZING PRIVATE LANDOWNER CONTRIBUTIONS	6
AKWESASNE PARTNERSHIP	7
EDUCATION AND COMMUNITY OUTREACH: ANNUAL CHRISTMAS FOREST SEMINAR & KEMPTVILLE WINTER WOODLOT CONFERENCE	7
SPECIES AT RISK HABITAT MODELING	8
EXPLORING A CHANGING CLIMATE IN EASTERN ONTARIO	8
WOODLAND PLANTING/RESTORATION EFFORTS	9
ACTIVITIES IN SUPPORT OF THE CANADIAN MODEL FOREST NETWORK AND THE INTERNATIONAL MODEL FOREST NETWORK	9
AWARDS	10
PARTNERS & SUPPORTERS	12
FINANCIAL STATEMENTS	13



Message from the President:

Facing New Challenges

As I reflect on the past year, my mind drifts backwards in time reminding me of our journey over the past two-plus decades and some of the many challenges faced by the Eastern Ontario Model Forest in the beginning. In 1992 we were but a young organization, with funding for many projects. We had many dedicated partners who helped us to bring life to projects. Then, as now, we took on projects (and their attendant challenges) with an unbridled energy and enthusiasm – learning much from our friends at Akwesasne about the Great Way of Peace, and embracing it wholeheartedly in all aspects of our work.

Now comes a time that we face new challenges, particularly as we enter our last year with core federal funding and support. Elizabeth Holmes led us through 2012-13 with dramatically reduced funding and did so admirably; and, despite the significant challenges we faced as an organization, we were still able to rise to the occasion on many projects, as was highlighted, for example, by the gala marking the 10th anniversary of our Forest Certification Program. I thank Elizabeth for her dedication to the EOMF over the past year, as it was not an easy time to be at the helm.

I foresee many challenges for the EOMF in the year ahead. To assist us with these challenges, Wade Knight joins us from the Ontario Woodlot Association as our new General Manager. Wade brings much experience given his many years with the woodlot association, and, together, with the staff team, (an incredibly devoted and passionate bunch), I feel that we are well-positioned to meet the challenges of the times head on. These challenges come in the form of becoming financially self-sufficient, exploring options for new bioproducts using low-grade wood fibre, moving forward with affordable forest certification for private landowners, expanding woodland restoration efforts, addressing threats posed by invasive species, and exploring opportunities for responding to issues related to a changing climate, just to name a few. The EOMF cannot meet these challenges alone; we will be working closely with our partners, members and supporters to tackle the adversities (and opportunities) that lie ahead.

I would like to thank my fellow board members for their unwavering support and wisdom over the course of the past year. Special thanks to Achille Drouin and George Sheffield who are stepping down from the board. Their dedication to the EOMF over the years has been heartwarming, and both will be missed. I would also like to extend a sincere thanks to the staff team, the engine and drive that keeps our programs moving ever-forward. And last, but certainly not least, my great thanks to our partners and the many volunteers who *are* the Eastern Ontario Model Forest.

Jim McCready
President
Eastern Ontario Model Forest

EOMF Board

Jim McCready, President

Tony Bull, Vice-President

Martin Streit, Secretary-Treasurer

Achille Drouin

Peter Hall

Geoff McVey

Elizabeth Nanticoke

Tom Richardson

George Sheffield

Rick Greet, CFS observer

Dan Galarnreau, CFS observer

Advisors to the Board

Ray Fortune

John Kerr-Wilson

Henry Lickers, EOMF Scientist

Cathy Nielsen

The Year in Retrospective:

Highlights

With the changing nature of core funding support, this has been a year of significant transition and transformation for the EOMF, in which we've been exploring new revenue generation models and funding streams. In addition to revisiting our membership fee structure and launching a new membership, donations and sponsorships campaign, a Business Development Committee was formed this year. Its charge: to explore and further develop new business opportunities for the EOMF. Areas being pursued include, among others:

- Continued innovation in and expansion of forest certification;
- Opportunities for serving as a 'broker' of conservation solutions (e.g., facilitating woodland restoration efforts by solar companies mandated by the province to replant acreage taken out of forest cover as a result of solar installations; assisting the development community with species at risk stewardship solutions); and,
- Partnerships with academic institutions, serving as a teaching/research platform.

While efforts this year have been heavily weighted towards developing and implementing a blueprint to ensure the EOMF's long-term viability and financial self-sufficiency, we have also delivered successfully upon a suite of project activities. Some highlights include:

- Achieving and celebrating receipt of our third five-year Forest Stewardship Council (FSC) certificate from the Rainforest Alliance;
- Successfully delivering on a province-wide Chain of Custody effort supported by the Forestry Export Assistance Program of the Ontario Ministry of Natural Resources;
- Developing a series of high-quality YouTube videos on various themes certification- and market-related;
- Producing a suite of forest-based e-learning tools;
- Supporting the board of the Ontario East Wood Centre in efforts to secure pilot plants that convert wood-based cellulose into energy products that will supplant the use of fossil fuels;
- Having established a network of permanent sample plots across eastern Ontario to monitor the long-term effects of emerald ash borer on forest health, with a view to better understanding and addressing associated ramifications for local communities;
- Having continued to serve as a 'policy bridging' vehicle through research and information exchange in the areas of ecological goods and services and species at risk;
- Partnering with the Nature Conservancy of Canada in the development and refinement of a set of species at risk models for use in stewardship and landscape planning; and,
- Hosting several knowledge exchanges and field visits with delegates from abroad (e.g., Poland, Latin America).

These and other accomplishments are elaborated in the pages that follow.

EOMF Staff & Associates

Elizabeth Holmes/Wade Knight,
General Manager

Scott Davis, Forest Certification Coordinator

Mary Humphries, Administrative Coordinator

Erin Neave, Biodiversity Specialist

Melanie Williams, Communications Coordinator





Certification Working Group

Steven Hunter, Co-chair
 Martin Streit, Co-chair
 Brian Anderson
 Josée Brizard
 Tony Bull
 Achille Drouin
 Ray Fortune
 Nicolas Gauthier
 Dorothy Hamilton
 Jean-Claude Havard
 Ed Heideman
 Kris Heideman
 Jim Hendry
 Jesse Henrich
 Fred Huszarik
 Wade Knight
 Larry McDermott
 Peter McElwain
 Geoff McVey
 Jeff Muzzi
 Tom Richardson
 Lacey Rose
 Rob Ross
 Carl Sadler
 Linda Touzin
 Ben Walters
 Scott Davis, Forest Certification Coordinator



Scott Davis (left) presents a certificate of recognition to Claire and George Fisher, the first participants to join our Forest Certification Program a decade ago.

FOREST AND CHAIN OF CUSTODY CERTIFICATION

In January of 2013, the EOMF achieved its third five-year Forest Stewardship Council (FSC) certificate (covering the period from January 2013 through January 2018) from the Rainforest Alliance. With the implementation of new funding/fee structure for the Forest Certification Program this fiscal, the program is strongly positioned for self-sufficiency in the long-term. A certification gala was held on March 21, 2013 celebrating 10 years being certified and also celebrating receipt of our renewed FSC certificate.

We continued to innovate in the certification arena this year. We partnered with the Ontario Ministry of Natural Resources (under the Forestry Export Assistance Program) in delivering a province-wide Chain of Custody (CoC) program. Eighteen Ontario companies were certified through the program; 37 were introduced to CoC certification through free on-site CoC consultation visits by qualified professionals. A suite of videos and e-learning tools produced by the EOMF extended the reach of messaging about the benefits of becoming CoC-certified. As part of the CoC effort, we also developed a virtual tool dubbed the ‘Ontario Certified Wood Products Marketplace’ to easily and intuitively connect domestic and international buyers with sellers of Ontario certified wood products.

We also continued to expand forest management certification, with additions of both community forests and private lands – the latter through a project funded by the Frontenac Community Futures Development Corporation. From modest beginnings 10 years ago, the total hectares enrolled in the Forest Certification Program now number more than 55,000.

ONTARIO EAST WOOD CENTRE

The Ontario East Wood Centre (OEWEC), for which the EOMF has been a key catalyst and partner, is meant to be a platform for getting new wood products off the ground in the face of the decline in traditional markets for wood products. The OEWEC board continued to press on with efforts to advance the vision and objects of the OEWEC this year. Project leader Sandra Lawn continued to lend her energy and enthusiasm to the effort, alongside a large number of dedicated experts, academics, business people, and forest specialists.

Some highlights include:

- A successful meeting with Deputy Minister David O’Toole (Ontario Ministry of Natural Resources); the OEWEC board’s primary request was for a ‘champion’ for the OEWEC and to create meaningful relationships with the new deputy ministers of the various ministries that need to be brought up to date on the potential of the OEWEC and sustainable forestry in eastern Ontario;
- Continued engagement with the academic community (e.g., collaboration with the University of Toronto’s Faculty of Forestry exploring opportunities for commercialization of several new product discoveries);

- Ongoing dialogue with several prospective ‘tenants’ interested in establishing demonstration plants at the OEWC; and,
- Development of a strategic plan for the OEWC, focusing on the securement of markets for wood fibre.

The EOMF supported efforts in-kind through participation on the OEWC board, and by lending other assistance such as the encouragement of partnerships with academia and others, and the sharing of knowledge and forestry-related expertise.

Next steps for the Ontario East Wood Centre board include:

- Presenting the strategic plan to key decision making bodies, seeking support at regional, provincial and federal levels; and,
- Developing funding proposals to further advance the work and mandate of the OEWC.

SUPPORTING FOREST AND WOOD-BASED INDUSTRY IN EASTERN ONTARIO

We continued work this year on a suite of activities in support of a thriving forest and wood-based industry in eastern Ontario, including efforts related to the Endangered Species Act (ESA). The ESA continues to cause frustration, anxiety and financial burden for forest industry, land managers and private landowners. Alongside industry partners, we continued to press for positive change with respect to the ESA through meetings with and presentations to senior decision makers within the Ontario Ministry of Natural Resources (OMNR). In addition to preparing a discussion paper that was shared in person with the Assistant Deputy Minister (Policy Division) of OMNR, we also provided feedback to the proposed ‘modernization of approvals’ by OMNR. We continue to provide advice on the ESA as the opportunity arises, championing on behalf of private landowners and industry—with a particular focus on what is needed to make it more supportive of business and landowners, while at the same time increasing its effectiveness as a conservation tool.

We continued to serve as a champion for locally-grown, certified wood sources. The 2012 edition of our Christmas Forest Seminar was themed around this very topic: ‘Wood: The Ultimate Green Building Material – Challenges and Initiatives.’ We also continued to strengthen relationships with Ontario Wood (becoming a formal licensee), WoodWORKS, and others championing the embrace of locally-grown wood.

And, as noted elsewhere in this report, we also developed the ‘Ontario Certified Wood Products Marketplace’ – an online tool that will serve to strengthen and grow the burgeoning local and export markets for certified wood products, and create new markets and customers for Ontario manufacturers. Visit www.certifiedwoodmarket.ca.





Regional Forest Health Network Members

Agence régionale de mise en valeur des forêts privées outaouaises

Agriculture and Agri-Food Canada (Arboretum)

Canadian Food Inspection Agency

City of Gatineau

City of Ottawa, Forestry Services

Conservation Authorities

County of Renfrew

Ministry of Natural Resources (Kemptonville District)

Ministry of Natural Resources (Southern Region)

Mohawk Council of Akwesasne

National Capital Commission

Natural Resources Canada, Canadian Forest Service

New York State, Department of Environmental Conservation

Ontario Parks

St. Lawrence County, New York State

St. Lawrence Islands National Park

Stewardship Councils

Town of Carleton Place

Tree Canada

United Counties of Leeds & Grenville

REGIONAL FOREST HEALTH NETWORK

The EOMF continued to chair and facilitate efforts of the Regional Forest Health Network (RFHN). Emerald ash borer (EAB) continued to be top of mind for the RFHN, with ongoing efforts to provide information-sharing support and expertise to municipalities, private landowners, homeowners, property owners and forest practitioners. A guide entitled *Preparing for Emerald Ash Borer: A Landowner's Guide to Managing Ash Forests* was produced by members of the RFHN (released in October 2012). The guide has been distributed widely through various channels and networks.

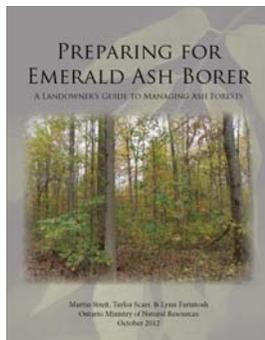
This year also featured a research effort in partnership with the Ontario Ministry of Natural Resources and the Canadian Forest Service (with funding support from the Invasive Species Centre) on a network of permanent sample plots designed to monitor the long-term effect of EAB on forest growth and yield in eastern Ontario. The following study report was produced: *A Study of Emerald Ash Borer Impacts in a Forested Landscape of Eastern Ontario: Forest Growth and Yield Implications* (March 2013).

We were also successful in a funding proposal to the Invasive Species Centre for work in the coming fiscal (2013-14) to produce two EAB videos and an EAB management strategy for rural municipalities.

ECOLOGICAL GOODS & SERVICES: EXPLORING OPPORTUNITIES FOR BETTER RECOGNIZING PRIVATE LANDOWNER CONTRIBUTIONS

This program area of the EOMF continues to garner considerable interest in both the landowner community and in program delivery and policy development circles. We continued to explore opportunities for better recognizing the contributions that private landowners and land managers make in providing ecological goods and services (EG&S) and to identify approaches for arriving at a more equitable sharing of the costs and responsibilities for their provisioning. Work this year expanded the number of key informant interviews convened to broaden the reach of the research, allowing for a more comprehensive capture of perspectives across sectors and land management interests. Efforts in the coming fiscal will focus on the ongoing development of an 'architecture'/program design framework for better recognizing landowner contributions in providing EG&S through working sessions with both landowners and program delivery/policy professionals.

Elsewhere, we continued to serve on the steering committee of the Ontario Network on Ecosystem Services (ONES), whose mission is to help advance research and the exchange of knowledge and information related to ecosystem services in Ontario. We also participated as a member of the organizing committee for the ONES Forum held in Alliston in November 2012; EOMF also served as the administrator for the Forum.



AKWESASNE PARTNERSHIP

As a founding partner to the EOMF, the Mohawk community of Akwesasne has shaped the very essence of our governance structure and the way in which we work with partners – embracing Naturalized Knowledge Systems principles and the Great Way of Peace (*respect, equity, and empowerment* as key ingredients for effective and lasting partnerships). Nurturing this partnership (indeed friendship) is something the EOMF holds dear – and it is central to the objective of continuing to develop enduring partnerships that enable the organization to flourish in the long-term.

In October, we convened a strategic partnership session devoted to exploring opportunities for ongoing collaboration. Several strategic areas of mutual interest were identified: climate change adaptation (e.g., questions of assisted migration); species at risk; invasive species, with particular reference to the emerald ash borer and implications for the black ash basket making industry; and, opportunities for furthering awareness of First Nations cultural values. These and other partnership opportunities will be further explored and pursued in the coming fiscal.

Staff of the Mohawk Council of Akwesasne’s Environment Program were active in supporting various project activities (e.g., efforts of the Regional Forest Health Network; participating in a visit by CUSO volunteers embarking on placements abroad) and active in the governance of the EOMF through participation on the board and Forest Science Committee. Environment Program staff also graciously hosted a field visit by an Ibero-American delegation visiting the EOMF in October, during which the visitors were introduced to Naturalized Knowledge Systems and First Nations partnership activities, and participated in an interpretive medicine walk.



EDUCATION AND COMMUNITY OUTREACH: ANNUAL CHRISTMAS FOREST SEMINAR & KEMPTVILLE WINTER WOODLOT CONFERENCE

On December 12, 2012, alongside the Ottawa Valley Section of the Canadian Institute of Forestry, we hosted another successful edition of our annual Christmas Forest Seminar. The theme this year was ‘Wood—The Ultimate Green Building Material,’ with presentations exploring some of the current challenges and actions needed to increase the use of wood in green construction.

The 26th edition of the Kemptville Winter Woodlot Conference, held February 20, 2013, on the Kemptville Campus of the University of Guelph, drew a packed house. We once again played a key role alongside partners in delivering this annual educational and networking event. The day featured topics ranging from non-timber forest product opportunities offering potential new income streams for landowners to advice on how we can share our woodlands with species at risk. With much positive feedback from conference participants, the early stages of planning for the 2014 edition are already underway.



Brian Barkley, Henry Lickers, Sandra Lawn, and Ray Fortune are recognized at the Christmas Forest Seminar for their dedicated efforts to the Canadian Model Forest Network and the EOMF over 20 years.



SPECIES AT RISK HABITAT MODELING

In partnership with the Nature Conservancy of Canada (Ontario Region), the EOMF completed the second phase of a two-year project developing habitat models and conducting field validation for nine reptile and amphibian species at risk. The project represents a continuation of work under the Ontario Ministry of Natural Resource's Species at Risk Stewardship Fund.

Field validation in 2012 concentrated on predictive GIS mapping on NCC properties in southern Ontario. Field measurements were collected to assess the ability of the models to predict suitable habitat for species at risk. Several models were adjusted and re-run based on the validation data collected. New maps were provided to project partners.

A final report to the Ontario Ministry of Natural Resources identified both the successes in habitat modeling for some species at risk and the data gaps and limitations for others. The EOMF will continue to work with partners to integrate new data and improve the models for use in stewardship and landscape planning.

Forest Science Committee

Peter Hall, Chair

Gerald Guenkel

Bob Stewart

Brian Haddon

Sally Hamilton

Henry Lickers, EOMF Scientist

Bill McMillan

Erin Neave

Erik Wang

Ed White

Dave Winston

Elizabeth Holmes, Staff Liaison

EXPLORING A CHANGING CLIMATE IN EASTERN ONTARIO

A key thrust of activity for the Forest Science Committee this year has been the development of a discussion paper entitled *Is the climate changing in eastern Ontario?* Volunteer committee member Bob Stewart, retired Climate Change Science Advisor for Natural Resources Canada, has served as lead author. Climate data from the Central Experimental Farm in Ottawa covering the period from 1890 to 2011 are analyzed in terms of 30-year averages to determine if the climate is changing in eastern Ontario. Results indicate that the present climate is quite different from the climate a century ago. From a climate perspective, eastern Ontario is currently warmer and wetter than at any other period over the last 120 years. The observed warming appears to be accelerating, with nine of the 10 warmest years on record occurring since 1991. From a global warming or climate change perspective, although the record is not conclusive, the observed change in temperature and moisture conditions experienced in eastern Ontario over the last century suggests it may be happening.

The Forest Science Committee intends to publish the discussion paper to further stimulate dialogue among EOMF members and partners about their experiences and observations with respect to how the climate may be changing in eastern Ontario – with a view to further exploring what the changes may mean in terms of adaptation and management actions on the ground.

WOODLAND PLANTING/RESTORATION EFFORTS

This year we initiated the roll-out of a new business opportunity whereby EOMF, in partnership with Trees Ontario and area planting delivery agents (e.g., conservation authorities, stewardship councils), is facilitating woodland planting/restoration efforts with solar companies mandated by the province to replant acreages taken out of forest cover as a result of solar installations. The first plantings occurred this spring, with additional plantings slated for 2014 and 2015. We hope to expand the effort in the coming year in terms of both the number of solar companies involved and the geography covered (i.e., beyond the traditional boundary of the EOMF).



ACTIVITIES IN SUPPORT OF THE CANADIAN MODEL FOREST NETWORK AND THE INTERNATIONAL MODEL FOREST NETWORK

The EOMF continued to serve as a champion for and supporter of the Canadian Model Forest Network (CMFN), as well as the International Model Forest Network (IMFN). We participated on the CMFN board as well as on the General Managers' Committee, actively supporting a number of collaborative efforts and initiatives, including joint collaboration with the IMFN. Highlights include:

- Assisting in the development of two CMFN-spearheaded funding proposals (to advance work on social forestry in Indonesia);
- Conducting forest sector interviews to feed into the CMFN white paper on forest sector issues, challenges and opportunities;
- Providing input and feedback through the early stages of conceptualization of the CMFN's Responsible Resource Development Program;
- Hosting visits by delegations from Latin America and Poland, as well as CUSO volunteers embarking on placements abroad;
- Developing an article on forest certification for IMFN's newsletter 'Connections'; and,
- Providing footage and interview material to support the IMFN Legacy Project – a video project showcasing 20 years of Model Forest accomplishments around the globe.

We will continue to support the CMFN and IMFN in these types of vital knowledge sharing and information transfer efforts in the year ahead.





Eastern Ontario Forest Group Honourary Members & Recipients of the Ross Silversides Forestry Award

HONOURARY members and recipients of the Ross Silversides Forestry Award are identified by the Board of Directors for their outstanding contribution to forestry in eastern Ontario or as past or present residents who have made a major contribution to forestry elsewhere in the world.

- 1993 – C. Ross Silversides, Maitland, Ontario (Honourary)
- 1994 – Bess Silversides, Maitland, Ontario (Honourary)
- 1994 – Ernest M. Kaientaronkwen Benedict, Akwesasne
- 1995 – Teharonianeken, Chief Jake Swamp, Akwesasne
- 1996 – Ewan Caldwell, Rockcliffe Park, Ontario
- 1996 – Ferdinand LaRose, Bourget, Ontario
- 1996 – Françoise LaBelle, St. Bruno Quebec (Honourary)
- 1998 – Sandra S. Lawn, Prescott, Ontario
- 1999 – William K. “Old Bill” Fullerton, Manotick, Ontario
- 2000 – Jim Cayford, Barrhaven, Ontario
- 2001 – George Fowler, Iroquois, Ontario
- 2001 – Henry Atsienhanonne Arquette, Akwesasne
- 2002 – John Kerr-Wilson, Ompah, Ontario
- 2003 – Ray & Ruth Fortune, Almonte, Ontario
- 2004 – Wayne D. Young, Cornwall, Ontario
- 2005 – Peter M. Murray, Gananoque, Ontario
- 2006 – F. Henry Lickers, Akwesasne
- 2007 – Edwin H. White, Marcellus, New York
- 2007 – Brian A. Barkley, Elma, Ontario
- 2008 – Richard David, Akwesasne
- 2009 – Dave Chapeskie, Spencerville, Ontario
- 2010 – Dave Neave, Nepean, Ontario
- 2011 – William (Bill) Hall, Renfrew, Ontario
- 2012 – Jim Hendry, South Stormont, Ontario
- 2012 – Martin Streit, Morrisburg, Ontario
- 2013 – Jim McCready, Carleton Place, Ontario

AWARDS

Eastern Ontario Forest Group Recipients of the Heartwood Award

*THE Heartwood Award is presented in recognition of
an individual or group who has made an exceptional volunteer
contribution to the Eastern Ontario Model Forest.*

2005

Sally Hamilton, Kemptville, Ontario

2006

John P. Wilson, Kemptville, Ontario

2007

Tony Bull, Ottawa, Ontario

2008

Alf Campbell, Kemptville, Ontario

2008

Jim Gilmour, Watson's Corners, Ontario

2009

Hans Ottens, Maberly, Ontario

2010

Achille Drouin, Casselman, Ontario

2011

Don Schell, Tatlock, Ontario

2012

Kerry Coleman, Oxford Mills, Ontario

2013

J. Peter Hall, Gloucester, Ontario

PARTNERS & SUPPORTERS

Agence régionale de mise en valeur des forêts privées outaouaises
Agriculture and Agri-Food Canada
Albert Larocque Lumber Ltd.
Alf's Forest Service
Algonquin College, Forestry Technician Program
Algonquin First Nation of Golden Lake
Algonquin to Adirondack Conservation Association
Barr Lumber Ltd.
Boisés Est
Canadian Federation of Woodlot Owners
Canadian Food Inspection Agency
Canadian Forest Service
Canadian Forestry Association
Canadian Institute of Forestry
Canadian Lumbermen's Association
Canadian Model Forest Network
Canadian Wildlife Service
Canadian Wood Fibre Centre
Carleton Place Forest Advisory Committee
Carleton Place Secondary High School
Catarauqui River Conservation Authority
City of Ottawa
Commonwealth Plywood Co. Ltd.
Community Stewardship Council of Lanark County
Conservation Ontario
Country Lane Fine Wood Products
County of Lanark
Coyncrest Farms
Dalkeith Lumber
David Black Ash Consulting
Drummond's Sugarbush
Eastern Chapter of the Society of Ontario Nut Growers
Eastern Counties Local, Ontario Maple Syrup Producers' Association
Eastern Ontario Certified Forest Owners
Eastern Ontario Development Program
Environment Canada
Ferguson Forest Centre
Forest Gene Conservation Association
Forest Products Association of Canada
Forest Stewardship Council of Canada
Fortune Farms
Fowler Tree Farms
FP Innovations
Friends of Limerick Forest
Frontenac Arch Biosphere Reserve
Frontenac Community Futures Development Corporation
Fulton's Pancake House and Sugar Bush
Gananoque Forestry Advisory Committee
Great Lakes Forestry Centre
Grey County Forest
Haliburton Forest and Wildlife Reserve Ltd.
Halifax Global Management Consultants
Herb Shaw & Sons Ltd.
International Model Forest Network
Lanark Cedar
Lanark & District Maple Syrup Producer's Association
Lavern Heideman & Sons Ltd.
Leeds-Grenville Stewardship Council
Leo André Ltd.
Limerick Forest
L.R. McVeigh Lumber Ltd.
Mazinaw-Lanark Forest Inc.
McCann's Forest Products
McCready Tree & Forestry Consulting
Mississippi Valley Conservation
M.J. Umpherson Lumber Co. Ltd.
Mohawk Council of Akwesasne, Environment Program
Murray Brothers Lumber
National Capital Commission
Natural Heritage Information Centre
Natural Resources Canada
Nature Conservancy of Canada (Ontario)
Neave Resource Management
Norampac Inc., Trenton Division
North Grenville Chamber of Commerce
Northumberland County Forest
Ontario Forestry Association
Ontario Maple Syrup Producers' Association
Ontario Ministry of Agriculture, Food and Rural Affairs
Ontario Ministry of Natural Resources
Ontario Nature
Ontario Network on Ecosystem Services
Ontario Professional Foresters Association
Ontario Woodlot Association
Opeongo Forestry Service
Ottawa Stewardship Council
Ottawa Valley Section - Canadian Institute of Forestry
Ottawa Valley Forest Sustainable Forest Licence
Popkie Lumber Ltd.
Port of Prescott
Prescott-Russell Stewardship Council
Queen's University
Rainforest Alliance
Raisin Region Conservation Authority
Renfrew County Stewardship Council
Resource Stewardship S.D. & G.
Rideau Valley Conservation Authority
St. Lawrence Islands National Park
St. Lawrence River Institute of Environmental Sciences
Sand Road Sugar Camp
Sandra S. Lawn & Associates Inc.
SmartWood
Smurfit-Stone Forest Resources, Pontiac
South Nation Conservation
State University of New York, College of Environmental Science and Forestry
Stewardship Network of Ontario
Stormont, Dundas & Glengarry Certified Forest Owners Inc.
Sugarbush Cabinet Company Ltd.
Temples Sugar Camp
TD Graham + Associates
Town of Carleton Place
Town of Gananoque
Town of Oakville
Township of Edwardsburgh/Cardinal
Tree Canada Foundation
Trees Ontario Foundation
United Counties of Leeds and Grenville
United Counties of Prescott and Russell
United Counties of Stormont, Dundas & Glengarry
University of Guelph
University of Guelph, Kemptville Campus
University of Toronto, Faculty of Forestry
Westwind Forest Stewardship Inc.
Wheeler's Pancake House & Sugar Camp

FINANCIAL STATEMENTS

Thomas Foran FCA(Doc)
W. Gordon Wells, CA (Ret)
Alan Gutman, CPA, CA, IFA
Martin Payne, CPA, CA, IFA



11 Somerville Road
P.O. Box 880
Kemptville, ON K0G 1J0

Tel: 613-258-3493
Fax: 613-258-5415
www.wgp.ca

Independent Auditors' Report

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eastern Ontario Forest Group as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1a, to the financial statements which describes that Eastern Ontario Forest Group adopted Canadian accounting standards for not for profit organizations on April 01, 2012 with a transition date of April 01, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at March 31, 2012 and April 01, 2011, and the Statement of operations, Statement of changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

WGP Professional Corporation

WGP Professional Corporation
Chartered Accountants
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

Kemptville, Ontario
May 17, 2013

Eastern Ontario Forest Group

Balance Sheet March 31, 2013

	2013	2012	As at April 1, 2011
Current Assets			
Cash	\$ 187,653	\$ 116,231	\$ 143,087
Trade accounts receivable	66,633	192,433	398,710
HST receivable	12,786	14,865	21,754
Interest receivable	-	1,043	1,043
Due from CMFN	-	-	37,060
Prepaid	2,462	-	-
Total Current Assets	269,534	324,572	601,654
Property, plant and equipment, net of accumulated amortization (Note 2)	4,976	2,849	3,564
Total Assets	\$ 274,510	\$ 327,421	\$ 605,218

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



FINANCIAL STATEMENTS

Eastern Ontario Forest Group

Balance Sheet

March 31, 2013

	2013	2012	As at April 1, 2011
Current Liabilities			
Trade accounts payable	\$ 5,592	\$ 32,982	\$ 327,336
Deferred income (Note 3)	91,814	97,884	73,156
Employee deductions payable	-	7,053	1,363
Total Current Liabilities	97,406	137,919	401,855
Total Liabilities	97,406	137,919	401,855
Equity			
Net assets	177,104	189,502	203,363
Total Equity	177,104	189,502	203,363
Total Liabilities and Equity	\$ 274,510	\$ 327,421	\$ 605,218

Approved on Behalf of the Board:

Eastern Ontario Forest Group

Statement of Operations

For the Year Ended March 31, 2013

	2013	2012
Receipts		
Administration revenue	\$ 572	\$ 29,658
Contributions from partners	69,307	366,045
Provincial	370,954	31,239
Federal - Forest Communities Program	175,000	325,000
Federal other	27,839	-
Memberships	3,335	3,414
Donations	5,303	596
Interest income	1,539	2,266
Other revenue	461	3,575
Total receipts	654,310	761,793
Expenditures		
EOFG Projects (Sch. 1)	150,921	172,788
Supplementary Projects (Sch. 2)	489,788	409,377
Insurance	3,770	8,249
Bad debt expense	148	35,513
Interest and bank charges	332	2,267
Office expenses	7,258	25,826
Professional fees	(440)	5,650
Amortization of tangible assets	1,245	715
Salaries and wages	11,094	106,213
Meetings	1,926	8,108
Delivery, freight and postage	66	248
General and administrative	600	700
Total expenditures	666,708	775,654
Income from operations	(12,398)	(13,861)
Other direct contributions (Note 4)		
Contributions	394,164	463,906
Expenses	(394,164)	(463,906)
Excess of expenditures over receipts	\$ (12,398)	\$ (13,861)

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



FINANCIAL STATEMENTS

Eastern Ontario Forest Group

Statement of Changes in Net Assets

For the Year Ended March 31, 2013

	2013	2012
Net Assets - beginning	\$ 189,502	\$ 203,363
Excess of expenditures over receipts	(12,398)	(13,861)
Net Assets - ending	\$ 177,104	\$ 189,502

Eastern Ontario Forest Group

Statement of Cash Flows

For the Year Ended March 31, 2013

	Note	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$	(12,676)	\$ (13,861)
Accounts receivable		128,922	213,166
Due from related		-	37,060
Prepays		(2,462)	-
Accounts payable		(34,704)	(288,664)
Deferred revenue		(5,530)	24,728
Amortization expense		1,245	715
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		74,795	(26,856)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of capital assets		(3,373)	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		71,422	(26,856)
Cash and cash equivalents at beginning of period		116,231	143,087
Cash and cash equivalents at end of period	\$	187,653	\$ 116,231
Cash and cash equivalents consist of the following:			
Cash	\$	187,653	\$ 116,231
	\$	187,653	\$ 116,231

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



FINANCIAL STATEMENTS

Eastern Ontario Forest Group

Notes to the Financial Statements

For the Year Ended March 31, 2013

1. Significant Accounting Policies

a. First time adoption

i. No change

On April 1 2012, the organization adopted Canadian generally accepted accounting principles for not for profit organizations (ASNFPFO). These are the company's first financial statements prepared in accordance with ASNFPFO, which has been applied retrospectively. The adoption of ASNFPFO had no impact on the previously reported assets, liabilities and net assets in the company, and accordingly, no adjustments have been recorded in the comparative balance sheet, statement of operations, statement of net assets and the cash flows statement. Certain of the company's disclosures included in these financial statements reflect the new disclosure requirement of ASNFPFO. The following exemptions were used at the date of transition to Canadian GAAP for not for profit organizations.

b. Nature of business/basis of preparation

i. Place of incorporation and principal business

The group was incorporated as a not-for-profit corporation, without share capital on October 13, 1992, under the laws of Ontario. The organization received its charitable status from the Canada Revenue Agency on April 1, 1999. The group is dedicated to championing the concept and practice of sustainable forestry for all it values in Eastern Ontario and beyond through the cooperative efforts of its residents and supporters. The Eastern Ontario Forest Group belongs to the Canadian Model Forest Network with over 11 sites located across Canada.

c. Property, plant and equipment

i. Depreciation rates

Depreciation is provided for using the straight-line method over the estimated useful lives as follows for the major classes of assets:

	Rate
Equipment	5 years

d. Financial instruments

(1) Measurement of financial instruments

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

(2) The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for



Eastern Ontario Forest Group

Notes to the Financial Statements

For the Year Ended March 31, 2013

1. Significant Accounting Policies continued

d. Financial instruments continued

investments in equity instruments that are quoted at active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable.

Financial liabilities measured at amortized cost include the accounts payable, and accrued liabilities

(3) Risks and concentrations

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the balance sheet date of March 31, 2013.

(4) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

(5) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity's main credit risk relates to its accounts receivable.

(6) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(7) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(8) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

FINANCIAL STATEMENTS

Eastern Ontario Forest Group

Notes to the Financial Statements

For the Year Ended March 31, 2013

1. Significant Accounting Policies continued

e. Use of estimates

i. Actual results could differ

The preparation of the financial statements in accordance with ASNFPO 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 March 31, 2013 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

f. Revenue recognition

i. Accordance with industry practice

The Eastern Ontario Forest Group follows the deferral method for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount is to be received can be reasonably estimated and collections is reasonably assured.

2. Property, plant and equipment

a. Cost less accumulated depreciation/impairment - net book value by period

Property, plant and equipment consist of the following:

	2013		2012	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment	\$ 31,331	\$ 26,355	\$ 4,976	\$ 2,849

Eastern Ontario Forest Group

Notes to the Financial Statements

For the Year Ended March 31, 2013

3. Deferred Revenue

a. Deferred revenue

	2013	2012
Beginning balance, related to supplementary funding	\$ 97,884	\$ 73,156
Less: Amount recognized as revenue in the year	(97,884)	(73,156)
Add: Amount received related to following year	91,814	97,884
Ending balance, related to supplementary funding	\$ 91,814	\$ 97,884

4. Other Direct Contributions

Included in the statement of operations is \$394,164 (2012 - \$463,906) representing the estimated fair value of contributions of services and materials as declared by the partners. These services and materials are recorded at fair value as if Eastern Ontario Forest Group would normally have to pay for the services donated.

5. Changes in presentation of comparative financial statements

a. Reclassified to conform with current year

Certain comparative figures have been reclassified to conform with the current year's financial statements presentation.

FINANCIAL STATEMENTS

Eastern Ontario Forest Group

For the Year Ended March 31, 2013

Schedule I: Forest Communities Program Projects

	2013 Budget		
	(Unaudited)	2013	2012
PCP /07-1.1 Transition to Bio-Bases community	\$ -	\$ -	\$ 22,000
PCP /07-1.2 Advancing Forest Cert in Communities	-	-	25,000
PCP/10-1.3 Ottawa and Seaway Valley Forestry	-	-	17,500
PCP/10-1.4 OPG Partnership	-	-	7,000
PCP /10-1.5 Bioenergy Handbook	-	-	3,500
PCP/07-2.2 EG&S pilot	-	-	34,000
PCP/10-2.3 Science Needs Program	-	-	9,500
PCP/10-2.4 Regional Forest Health Network	-	-	4,500
PCP/10-2.5 Bus. Care for Fine Scale Veg. Inv.	-	-	3,500
PCP/07-3.1 Comm Mentoring & Equity Dev.	-	-	22,000
PCP/10-2.6 Sustainability and Growth of EOWPI	-	-	10,500
PCP/07-3.2 Capacity to communicate	-	-	21,000
PCP/07-3.3 PCP Ambassador	-	-	16,000
PCP/12-1.0 Forest Certification	35,000	35,000	-
PCP/12-2.0 Ontario East Wood Centre	13,500	13,800	-
PCP/12-2.1 Enhancing Wood Market Viability	7,200	7,200	-
PCP/12-3.0 Regional Forest Health Network	8,000	8,000	-
PCP/12-4.0 Ecological Goods & Services	22,000	22,000	-
PCP/12-5.0 Positioning EOMF for Financial Self Sufficiency	75,000	75,000	-
PCP/12-5.1 Alkwasane Partnership	10,000	10,000	-
PCP /12-5.2 Championing & Supporting the CMPN	4,000	4,000	-
	175,000	175,000	136,000
HST recoveries	-	(24,079)	(23,212)
Total Expense - EOFG Projects	\$ 175,000	\$ 150,921	\$ 172,788

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



Eastern Ontario Forest Group

For the Year Ended March 31, 2013

Schedule 2: Supplementary Projects

	2013 Budget		
	(Unaudited)	2013	2012
EOFG12/2 CoC Cert Project Phase 2	\$ 318,491	\$ 332,781	\$ -
EOFG11/07 CoC Cert Project	-	-	266,425
EOFG10/9 Certification in Renfrew County	-	-	3,698
EOFG12/06 Frontenac Community Futures	27,089	30,497	-
EOFG97/22 Christmas Seminar	1,770	1,770	2,174
EOFG03/71 Forest Health Workshops	13,276	13,276	10,641
EOFG12/10 IMPN Legacy	750	750	-
EOFG12/15 EDOP Youtube Video	-	-	9,049
EOFG12/17 Ones Workshop	1,776	1,776	-
EOFG11/11 Jim Cayford Fund Charity	2,932	2,932	-
EOFG03/78 EOFG Maple Publications	1,634	1,634	3,335
EOFG12/19 North Central Pest Workshop	15,036	15,036	848
EOFG13/26 Administration Funds	7,147	7,147	-
EOFG96/18-GEO Info	1,135	1,135	581
EOFG12/13 Invasive Species Partner	20,433	20,433	-
EOFG10/16 Species at Risk	17,295	18,250	32,215
EOFG10/27 CAF Project	-	-	7,439
EOFG 03/36 EOMF Event	1,462	1,462	1,732
EOFG12/24 Metadata Collection	-	-	6,039
EOFG09/50 EOMF Forest Event Charitable	102	102	98
EOFG07/93 Certificate Renewal fund	34,407	34,407	54,084
EOFG02/62 EOMF Workshops	-	-	233
EOFG98/39 Woodlot Day	6,400	6,400	7,359
EOFG98/41 Forestry Fair	-	-	3,427
Total Expense - Supplementary projects	\$ 471,135	\$ 489,788	\$ 409,377

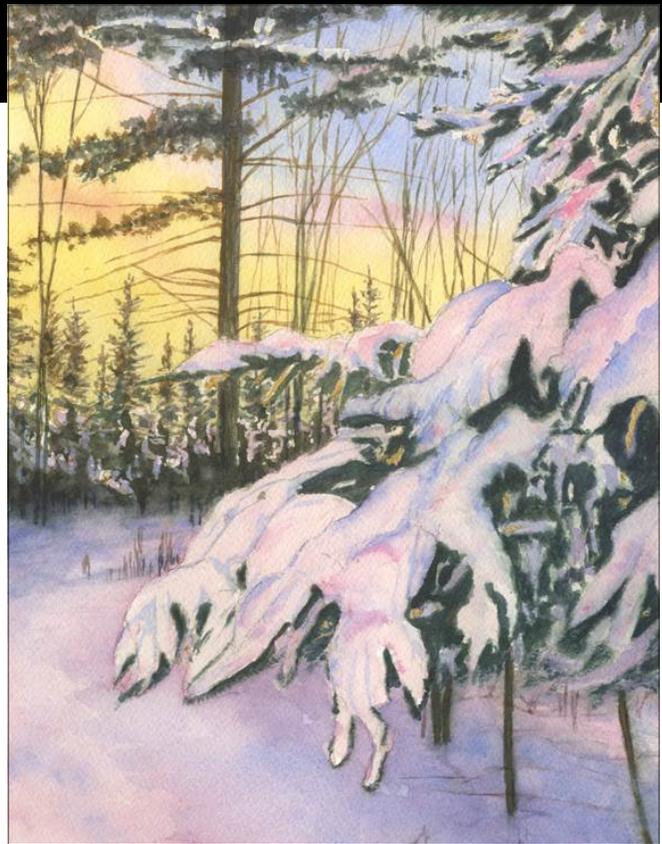
NOTES



*Our vision of forests for seven generations is
a sustainable landscape valued by all communities.*

Acknowledgement

*The Eastern Ontario Model Forest gratefully
acknowledges the support of Natural Resources
Canada through the Canadian Forest Service's
Forest Communities Program.*



EASTERN ONTARIO MODEL FOREST FORÊT MODÈLE DE L'EST DE L'ONTARIO

P.O. Bag 2111,
Kemptville, Ontario
Canada K0G 1J0
Tel.: (613) 258-8241
Fax: (613) 258-8363

C.P. 2111,
Kemptville (Ontario)
Canada K0G 1J0
Tél. : (613) 258-8241
Télééc. : (613) 258-8363

modelforest@eomf.on.ca foretmodele@eomf.on.ca

www.eomf.on.ca