

990

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2002

Open to Public Inspection

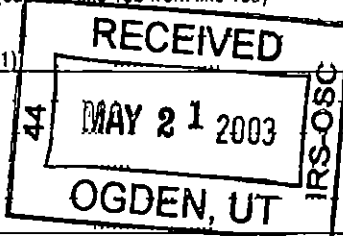
Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

Form 990 header section including: A For the 2002 calendar year, or tax year period beginning and ending; B Check if applicable; C Name of organization; D Employer identification number; E Telephone number; F Accounting method; G Web site; J Organization type; K Check here; L Gross receipts; M Check if the organization is not required to attach Sch B.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with 21 rows detailing Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Includes sub-rows for direct/indirect support, gross rents, and special events. Total revenue is 528,410 and total expenses are 450,502.



FILMED JUN 19 2003

**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND**

37-1018692

**Part II Statement of Functional Expenses**

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) cash \$ <u>227,128.</u> non-cash \$	227,128.	227,128.	STATEMENT 5	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors etc	55,000.	0.	55,000.	0.
26	Other salaries and wages	23,705.		23,705.	
27	Pension plan contributions				
28	Other employee benefits	6,618.		6,618.	
29	Payroll taxes	5,526.		5,526.	
30	Professional fundraising fees				
31	Accounting fees	4,254.		4,254.	
32	Legal fees	4,510.		4,510.	
33	Supplies	2,697.		2,697.	
34	Telephone	721.		721.	
35	Postage and shipping	7,861.		7,861.	
36	Occupancy	6,639.		6,639.	
37	Equipment rental and maintenance				
38	Printing and publications	7,317.		7,317.	
39	Travel	14,826.		14,826.	
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)				
43	Other expenses not covered above (itemize)				
a					
b					
c					
d	SEE STATEMENT 4	83,700.	15,396.	68,304.	
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	450,502.	242,524.	207,978.	0.

Joint Costs Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,

(iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose?

**SUPPORT PROFESSIONAL ARBORISTS**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts but optional for others)

<b>a</b>	<b>RESEARCH SUPPORT - PROVIDE RESEARCH GRANTS TO INDIVIDUALS AND ORGANIZATIONS PERFORMING TREE-RELATED RESEARCH WHICH IS THE TRUST'S PURPOSE.</b>	242,524.
	(Grants and allocations \$ _____)	
<b>b</b>		
	(Grants and allocations \$ _____)	
<b>c</b>		
	(Grants and allocations \$ _____)	
<b>d</b>		
	(Grants and allocations \$ _____)	
<b>e</b>	Other program services (attach schedule)	(Grants and allocations \$ _____)
<b>f</b>	Total of Program Service Expenses (should equal line 44, column (B) Program services)	242,524.

**Part IV Balance Sheets**

		(A) Beginning of year		(B) End of year	
<b>Note</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only					
<b>Assets</b>	45	Cash - non-interest-bearing	369,779.	45	174,430.
	46	Savings and temporary cash investments		46	
	47 a	Accounts receivable		47a	
	b	Less allowance for doubtful accounts		47b	47c
	48 a	Pledges receivable		48a	
	b	Less allowance for doubtful accounts		48b	48c
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees		50	
	51 a	Other notes and loans receivable		51a	
	b	Less allowance for doubtful accounts		51b	51c
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges		53	
	54	Investments - securities <b>STMT 6</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	986,215.	54	1,091,991.
	55 a	Investments - land, buildings, and equipment basis		55a	
	b	Less accumulated depreciation		55b	55c
56	Investments - other		56		
57 a	Land, buildings and equipment basis		57a		
b	Less accumulated depreciation		57b	57c	
58	Other assets (describe <b>▶ SEE STATEMENT 7</b> )		58	10,935.	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	1,355,994.	59	1,277,356.	
<b>Liabilities</b>	60	Accounts payable and accrued expenses		60	
	61	Grants payable		61	
	62	Deferred revenue		62	
	63	Loans from officers, directors, trustees, and key employees		63	
	64 a	Tax-exempt bond liabilities		64a	
	b	Mortgages and other notes payable		64b	
	65	Other liabilities (describe <b>▶ SEE STATEMENT 8</b> )	494.	65	0.
66	<b>Total liabilities</b> (add lines 60 through 65)	494.	66	0.	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67	Unrestricted		67	
	68	Temporarily restricted		68	
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds	316,379.	70	691,484.
	71	Paid-in or capital surplus or land, building, and equipment fund	0.	71	0.
	72	Retained earnings, endowment, accumulated income, or other funds	1,039,121.	72	585,872.
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,355,500.	73	1,277,356.	
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	1,355,994.	74	1,277,356.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



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**Part VI Other Information**

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes" attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? <span style="float:right">N/A</span>		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization <span style="float:right">and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt</span>		
81 a	Enter direct or indirect political expenditures See line 81 instructions <span style="float:right">81a 0.</span>		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) <span style="float:right">82b N/A</span>		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? <span style="float:right">N/A</span>		
85	<b>501(c)(4), (5), or (6) organizations</b> a Were substantially all dues nondeductible by members? <span style="float:right">N/A</span>		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? <span style="float:right">N/A</span> If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments, and similar amounts from members <span style="float:right">85c N/A</span>		
d	Section 162(e) lobbying and political expenditures <span style="float:right">85d N/A</span>		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <span style="float:right">85e N/A</span>		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <span style="float:right">85f N/A</span>		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? <span style="float:right">N/A</span>		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? <span style="float:right">N/A</span>		
86	<b>501(c)(7) organizations</b> Enter a Initiation fees and capital contributions included on line 12 <span style="float:right">86a N/A</span>		
b	Gross receipts, included on line 12, for public use of club facilities <span style="float:right">86b N/A</span>		
87	<b>501(c)(12) organizations</b> Enter a Gross income from members or shareholders <span style="float:right">87a N/A</span>		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) <span style="float:right">87b N/A</span>		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	<b>501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 <span style="float:right">0.</span> , section 4912 <span style="float:right">0.</span> , section 4955 <span style="float:right">0.</span>		
b	<b>501(c)(3) and 501(c)(4) organizations</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <span style="float:right">0.</span>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <span style="float:right">0.</span>		
90 a	List the states with which a copy of this return is filed <span style="float:right">ILLINOIS</span>		
b	Number of employees employed in the pay period that includes March 12, 2002 <span style="float:right">90b 2</span>		
91	The books are in care of <span style="float:right">JOHN GEISSAL</span> Telephone no <span style="float:right">217 239-7070</span>		

Located at 1400 WEST ANTHONY DRIVE, CHAMPAIGN IL ZIP +4 61821

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here 92 N/A  
and enter the amount of tax-exempt interest received or accrued during the tax year

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**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 32)

	Unrelated business income		Excluded by section 512, 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
<b>Note</b> Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	2,962.	
96 Dividends and interest from securities			14	33,325.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					285,742.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		36,287.	285,742.
105 Total (add line 104, columns (B), (D), and (E))					322,029.

**Note** Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See Specific Instructions on page 32)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
101	FUND RAISING EVENTS USED TO SUPPORT PROGRAMS FOR THE ORGANIZATION'S EXEMPT PURPOSE

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See Specific Instructions on page 33)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See Specific Instructions on page 33)

- (a) Did the organization, during the year, receive any funds, directly or indirectly to pay premiums on a personal benefit contract?  Yes  No
- (b) Did the organization, during the year, pay premiums, directly or indirectly on a personal benefit contract?  Yes  No

**Note** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true and correct. Information of which preparer has any knowledge

Date: 5/15/03  
 Type or print name and title: Cindy M Stachowski, Executive Director  
 Check if self-prepared:   
 Preparer's SSN or PTIN: 4803

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information-(See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

**2002**

Name of the organization **TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND** Employer identification number  
**37 1018692**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JOHN GEISSAL ----- PO BOX 3129 CHAMPAIGN, IL 61826	ACTING E.D. 40	55,000.	0.	0.
-----	-----	-----	-----	-----
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-----	-----	-----	-----	-----
Total number of other employees paid over \$50,000 ▶	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE -----		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
Total number of others receiving over \$50,000 for professional services ▶	0	

TREE RESEARCH AND EDUCATION

**Part III** Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities <b>▶</b> \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)	X	
4 Do you have a section 403(b) annuity plan for your employees?		X
<b>Note:</b> Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

**Part IV** Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

TREE RESEARCH AND EDUCATION

Schedule A (Form 990 or 990-EZ) 2002 ENDOWMENT FUND

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**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting  
 Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	804,030.	235,270.	145,942.	314,133.	1,499,375.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	8,094.	7,414.	11,861.	13,846.	41,215.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	812,124.	242,684.	157,803.	327,979.	1,540,590.
24 Line 23 minus line 17	812,124.	242,684.	157,803.	327,979.	1,540,590.
25 Enter 1% of line 23	8,121.	2,427.	1,578.	3,280.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 30,812.
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the sum of all these excess amounts				26b 801,519.
	c Total support for section 509(a)(1) test Enter line 24, column (e)				26c 1,540,590.
	d Add Amounts from column (e) for lines 18 41,215. 19	22 801,519.			26d 842,734.
	e Public support (line 26c minus line 26d total)				26e 697,856.
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f 45.2980%
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year				N/A
	(2001)	(2000)	(1999)	(1998)	
	b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year				N/A
	(2001)	(2000)	(1999)	(1998)	
	c Add Amounts from column (e) for lines 15 16	17 20 21			27c N/A
	d Add Line 27a total and line 27b total				27d N/A
	e Public support (line 27c total minus line 27d total)				27e N/A
	f Total support for section 509(a)(2) test Enter amount on line 23, column (e)				27f N/A
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g N/A %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h N/A %

28 Unusual Grants For an organization described in line 10, 11 or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

**TREE RESEARCH AND EDUCATION**

**Part V Private School Questionnaire** (See page 7 of the instructions)

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		Yes	No
<b>29</b>	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
<b>30</b>	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
<b>31</b>	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
<hr/> <hr/> <hr/>			
<b>32</b>	Does the organization maintain the following		
<b>a</b>	Records indicating the racial composition of the student body, faculty, and administrative staff?	<b>32a</b>	
<b>b</b>	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	<b>32b</b>	
<b>c</b>	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	<b>32c</b>	
<b>d</b>	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )	<b>32d</b>	
<hr/> <hr/>			
<b>33</b>	Does the organization discriminate by race in any way with respect to		
<b>a</b>	Students' rights or privileges?	<b>33a</b>	
<b>b</b>	Admissions policies?	<b>33b</b>	
<b>c</b>	Employment of faculty or administrative staff?	<b>33c</b>	
<b>d</b>	Scholarships or other financial assistance?	<b>33d</b>	
<b>e</b>	Educational policies?	<b>33e</b>	
<b>f</b>	Use of facilities?	<b>33f</b>	
<b>g</b>	Athletic programs?	<b>33g</b>	
<b>h</b>	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space attach a separate statement )	<b>33h</b>	
<hr/> <hr/>			
<b>34 a</b>	Does the organization receive any financial aid or assistance from a governmental agency?	<b>34a</b>	
<b>b</b>	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	<b>34b</b>	
<b>35</b>	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	<b>35</b>	

**TREE RESEARCH AND EDUCATION**

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check  a  if the organization belongs to an affiliated group      Check  b  if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred )		N/A	
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>		
<b>39</b> Other exempt purpose expenditures	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>		
<b>41</b> Lobbying nontaxable amount Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40	}	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>		
<b>43</b> Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>		
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>		

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
<b>45</b> Lobbying nontaxable amount					0.
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					0.
<b>47</b> Total lobbying expenditures					0.
<b>48</b> Grassroots nontaxable amount					0.
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					0.
<b>50</b> Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions )

N/A

During the year, did the organization attempt to influence national, state or local legislation including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
	<b>a</b> Volunteers		
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h )			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> Total lobbying expenditures (Add lines c through h )			0.
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities			



FOOTNOTES

STATEMENT 1

NAME CHANGED DURING THE YEAR FROM - INTERNATIONAL SOCIETY OF ARBORICULTURE RESEARCH TRUST - TO - TREE RESEARCH AND EDUCATION ENDOWMENT FUND - .

SCHEDULE A PART III, LINE 3 - THE ROBERT FELIX MEMORIAL SCHOLARSHIP IS NON-REPEATING AND CAN BE APPLIED FOR ANNUALLY. THE SCHOLARSHIP RECIPIENTS SHOULD BE PURSUING A CAREER IN COMMERCIAL ARBORICULTURE. THE SCHOLARSHIP AMOUNTS WILL BE \$4,000 EACH AND WILL BE AWARDED TO UNDERGRADUATE AND TECHNICAL COLLEGE STUDENTS. THE SCHOLARSHIPS WILL BE ANNOUNCED AT THE TREE CARE INDUSTRY EXPO AND AWARDED ONE HALF IN EACH SEMESTER OF THE SCHOOL YEAR.

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT 2
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
GOLF OUTING	36,530.		36,530.	19,142.	17,388.
AUCTION	113,977.		113,977.	55,109.	58,868.
TOUR DES TREES	308,875.		308,875.	153008.	155,867.
TAILGATE	22,440.		22,440.	3,910.	18,530.
TRETURES	20,591.		20,591.	28,840.	<8,249.>
TREE DYNAMICS	5,755.		5,755.	1,875.	3,880.
ROBERT FELIX GOLF OUTING	17,858.		17,858.	11,578.	6,280.
FELIX AUCTION	56,050.		56,050.	22,872.	33,178.
TO FM 990, PART I, LINE 9	582,076.		582,076.	296334.	285,742.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT 3
DESCRIPTION		AMOUNT
MARKET VALUE ADJUSTMENT		<156,052.>
TOTAL TO FORM 990, PART I, LINE 20		<156,052.>

FORM 990	OTHER EXPENSES				STATEMENT 4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
STRATEGIC PLANNING	8,192.		8,192.		
ADMINISTRATION	3,033.		3,033.		
BANK SERVICE CHARGES	4,087.		4,087.		
COMMITTEES	661.		661.		
CONTRACT LABOR	70.		70.		
ORGANIZATION					
PROMOTION	19,510.		19,510.		
INSURANCE	471.		471.		
LIASONS	8,359.		8,359.		
MISCELLANEOUS	749.		749.		
PLANNED GIVING	1,316.		1,316.		
BOARD	13,092.		13,092.		
COMPUTER	3,276.		3,276.		
SCHOLARSHIPS	15,396.	15,396.			
DUES & SUBSCRIPTIONS	345.		345.		

SEARCH COMMITTEE	5,143.		5,143.
TOTAL TO FM 990, LN 43	83,700.	15,396.	68,304.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 5

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
HYLAND JOHNS			NONE	63,843.
DULING			NONE	81,843.
RESEARCH ASSESSMENT			NONE	81,442.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				227,128.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
MUTUAL FUND PORTFOLIO			1091991.		1,091,991.
TO 990, LN 54 COL B			1091991.		1,091,991.

FORM 990 OTHER ASSETS STATEMENT 7

DESCRIPTION	AMOUNT
DUE FROM INT'L SOC OF ARBORICULTURE	10,935.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	10,935.

FORM 990	OTHER LIABILITIES	STATEMENT	8
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DESCRIPTION	AMOUNT
DUE TO INTERNATIONAL SOCIETY OF ARBORICULTURE	0.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	0.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	9
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DESCRIPTION	AMOUNT
INVESTMENT INCOME	36,287.
TOTAL TO FORM 990, PART IV-A	36,287.

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT	10
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DESCRIPTION	AMOUNT
INVESTMENT INCOME	36,287.
TOTAL TO FORM 990, PART IV-B	36,287.

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,  
TRUSTEES AND KEY EMPLOYEES

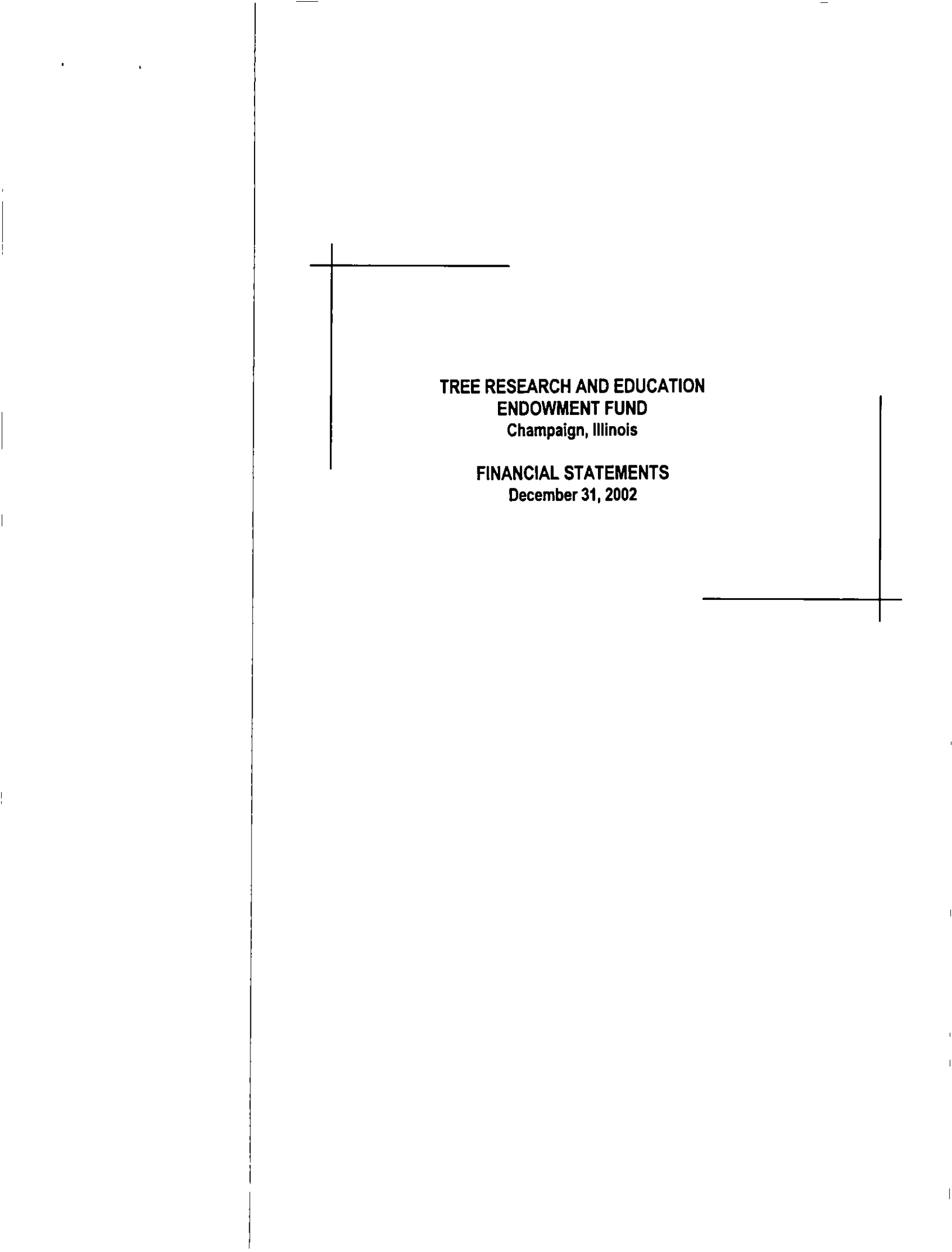
STATEMENT 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JOHN GOODFELLOW 7710 1296TH AVE NE REDMOND, WA 98053-4710	PART	0.	0.	0.
BAILEY HUDSON 1032 E. ORANGE STREET SANTA MARIA, CA 93454	PART	0.	0.	0.
GEOFFREY KEMPTER 708 BLAIR MILL ROAD WILLOW GROVE, PA 19090	PART	0.	0.	0.
DONALD H. MARX 775 EDDINGS POINT ROAD FROGMORE SC 29920	PART	0.	0.	0.
ROBERT FANNO PO BOX 628 CHICO, CA 95927	PART	0.	0.	0.
KEN OTTMAN 2769 N. 73RD ST. MILWAUKEE, WI 53210	VICE-CHAIR PART	0.	0.	0.
GARY WATSON 4100 ILLINOIS ROUTE 53 LISLE, IL 60532	PART	0.	0.	0.
ALLAN WEST PO BOX 130 OJAI, CA 93024	CHAIR PART	0.	0.	0.
DAVID MCMASTERS 909 NORTH SEA ROAD SOUTHAMPTON, NY 11968	PART	0.	0.	0.
ANDREW FELIX 6 SPRINGBROOK ROAD FOXBORO, MA 02035	PART	0.	0.	0.
TIMOTHY J. HARRIS 815 W. COLLEGE AVE. WAUKESHA, WI 53186	PART	0.	0.	0.

PAMELA K HENDRICKSEN 275 C 12TH STREET, 2ND FLOOR WHEELING, IL 60090	PART	0.	0.	0.
DOUGLAS R HUNT 706 MARTINSVILLE ROAD LIBERTY CORNER, NJ 07938	PART	0.	0.	0.
JOHN R LLOYD PO BOX 11016 BLACKSBURG, VA 24062-1016	PART	0.	0.	0.
ROGER D MELLICK 30 CHERRY ST. LEBANON, NJ 08833	PART	0.	0.	0.
JERRY MOREY 6750 MILLBROOK ROAD REMUS, MI 49340	SECT./ TREASURER PART	0.	0.	0.
RANDY J OWEN 225 N. LAKE GEORGE RD. ATTICA, MI 48412	PART	0.	0.	0.
ERIC B PROPER 14919 ARNOLD DRIVE, BOX I TOWNVILLE, PA 16360	PART	0.	0.	0.
BERNARD E SPIGT 13610 CEDAR RUN LANE OAK HILL, VA 22071	PART	0.	0.	0.
GILL MITCHELL 19767 SAN LUIS WAY MORGAN HILL, CA 95037	PART	0.	0.	0.
THOMAS R TOLKACZ 8585 EAST WARREN AVE DENVER, CO 80231	PART	0.	0.	0.

TOTALS INCLUDED ON FORM 990, PART V

0.	0.	0.
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**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND  
Champaign, Illinois**

**FINANCIAL STATEMENTS  
December 31, 2002**

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## Independent Auditor's Report

Board of Directors  
Tree Research and Education  
Endowment Fund  
Champaign, Illinois

We have audited the accompanying statement of assets, liabilities, and net assets - cash basis of the Tree Research and Education Endowment Fund as of December 31, 2002, and the related statement of revenues, expenses, losses, and changes in net assets - cash basis for the year then ended. These financial statements are the responsibility of the Fund'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.

As described in the summary of significant accounting policies, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Tree Research and Education Endowment Fund as of December 31, 2002, and its revenues, expenses, losses, and changes in net assets for the year then ended on the basis of accounting described in the summary of significant accounting policies.

*Clifton Gunderson LLP*

Champaign, Illinois  
January 23, 2003

**TREE RESEARCH AND EDUCATION  
 ENDOWMENT FUND  
 STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS  
 December 31, 2002**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 174,430	
Due from International Society of Arboriculture	<u>10,935</u>	
Total current assets		\$ 185,365

<b>INVESTMENTS</b>		<u>1,091,991</u>
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<b>TOTAL ASSETS</b>		<u>\$ 1,277,356</u>
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**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		\$ <u>-</u>
--------------------	--	-------------

**NET ASSETS**

Unrestricted, board-designated	\$ 321,586	
Unrestricted, operating	<u>276,565</u>	
Total unrestricted net assets		598,151
Temporarily restricted		396,518
Permanently restricted		<u>282,687</u>
Total net assets		<u>1,277,356</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u>\$ 1,277,356</u>
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These financial statements should be read only in connection with  
 the accompanying summary of significant accounting policies  
 and notes to financial statements

**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND  
STATEMENT OF REVENUES, EXPENSES, LOSSES,  
AND CHANGES IN NET ASSETS - CASH BASIS  
Year Ended December 31, 2002**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES</b>				
Contributions	\$ 105,283	\$ 14,689	\$ -	\$ 119,972
Special events (net of \$296,334 of expenses)	285,742	-	-	285,742
Direct grant program	-	69,913	-	69,913
Johns grant program	2,000	-	-	2,000
Endowment program	13,996	500	-	14,496
Net assets released from restrictions.				
Satisfaction of program restrictions	69,913	(69,913)	-	-
	<u>476,934</u>	<u>15,189</u>	<u>-</u>	<u>492,123</u>
<b>EXPENSES AND LOSSES</b>				
Program services:				
Grant and trust programs:				
Direct grants	96,838	-	-	96,838
Johns grants	63,843	-	-	63,843
Duling grants	81,843	-	-	81,843
	<u>242,524</u>	<u>-</u>	<u>-</u>	<u>242,524</u>
Support services:				
Administration	207,978	-	-	207,978
	<u>450,502</u>	<u>-</u>	<u>-</u>	<u>450,502</u>
Loss on investments	119,765	-	-	119,765
	<u>570,267</u>	<u>-</u>	<u>-</u>	<u>570,267</u>
<b>CHANGES IN NET ASSETS</b>	(93,333)	15,189	-	(78,144)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>691,484</u>	<u>381,329</u>	<u>282,687</u>	<u>1,355,500</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 598,151</u>	<u>\$ 396,518</u>	<u>\$ 282,687</u>	<u>\$1,277,356</u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
December 31, 2002**

The objectives of the Tree Research and Education Endowment Fund (the Fund) are both educational and scientific. The Fund provides a greater appreciation of trees through the promotion of research, improved technology and the practice of professional arboriculture. The Fund's primary revenues consist of special events and contributions from individual donor's and various arboriculture-related companies, both public and private.

The Fund is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues, expenses, and losses during the reporting period. Actual results could differ from those estimates.

**ACCOUNTING BASIS**

The Fund prepares its financial statements using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, modified for the recording of the amount due from International Society of Arboriculture and the recording of investments at fair market value. Under that basis, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the liability is incurred. Non-cash transactions are not recognized.

**CASH AND CASH EQUIVALENTS**

The Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**INVESTMENTS**

Investments are composed of US government funds, US treasury securities, corporate and municipal bonds, equity securities, and mutual funds. All investments are carried at fair value with realized and unrealized gains and losses on investments reported as an increase or decrease in unrestricted, temporarily restricted, or permanently restricted net assets based upon donor-imposed restrictions.

Investment income is reported in the statement of revenues, expenses, losses, and changes in net assets - cash basis as unrestricted temporarily restricted, or permanently restricted revenue based upon donor-imposed restrictions.

**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
December 31, 2002**

**NET ASSETS**

Net assets are classified into one of three classes of net assets based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

**Unrestricted**

Unrestricted net assets includes all net assets which are neither temporarily or permanently restricted

**Temporarily Restricted**

Temporarily restricted net assets includes contributed net assets for which donor-imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

**Permanently Restricted**

Permanently restricted net assets includes contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions

**CONTRIBUTIONS**

Annual contributions are available for unrestricted use in the related year unless specifically restricted by the donor.

Grants that meet the definition of a contribution and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets

**DESCRIPTION OF PROGRAMS**

**John Z. Duling Grant**

The John Z. Duling Grant Program provides seed money to support research projects that address topics having the potential of benefiting the everyday work of arborists. Grant awards vary depending on the assessed value of the project to the needs of the arboricultural industry. No single award will receive more than \$5,000.

**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
December 31, 2002**

**DESCRIPTION OF PROGRAMS (CONTINUED)**

**Hyland R. Johns Grant**

The Hyland R. Johns Grant Program provides funds in excess of \$5,000 to qualified researchers for projects that interest and benefit the arboricultural industry.

**Direct Grants**

Direct Grants are funded by a sponsor or donor for a specific project topic.

**DESCRIPTION OF SPECIAL EVENTS**

Special events consist of a bike tour, golf outings, and auctions. The purposes of these special events are to raise financial support and bring awareness to, stimulate, and encourage arboriculture research.

This information is an integral part of the accompanying financial statements.

**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2002**

**NOTE 1 - COLLATERALIZATION OF DEPOSITS**

At December 31, 2002, the Fund had deposits at financial institutions that totaled \$216,240, with a reconciled book value of \$174,430. Of this amount, \$100,000 was covered by federal deposit insurance and the remaining \$116,240 was uninsured

**NOTE 2 - INVESTMENTS**

The following is a summary of investments held at December 31, 2002:

	<u>Market Value</u>	<u>Cost Basis</u>
U.S government funds	\$ 15,103	\$ 15,103
U S treasury securities	65,975	61,305
Corporate bonds	370,565	345,401
Municipal bonds	11,572	9,971
Equity securities	491,195	586,337
Mutual funds	<u>137,581</u>	<u>163,810</u>
Total investments	<u>\$ 1,091,991</u>	<u>\$ 1,181,927</u>

The Fund carries all investments at their fair market values. Current market value is provided by the trust administrator or by reputable published sources for stocks and bonds.

Investment income (loss) consists of the following:

Interest/dividend income	\$ 45,218
Less investment fees	(8,931)
Net realized and unrealized losses	<u>(156,052)</u>
Total	<u>\$ (119,765)</u>

**NOTE 3 - NATURE AND AMOUNT OF PERMANENT AND TEMPORARY  
RESTRICTIONS**

Temporarily restricted net assets totaling \$396,518 are available to qualified researchers for projects that interest and benefit the arboricultural industry.

Permanently restricted net assets include endowments totaling \$282,687, which must be invested in perpetuity, the income from which is expendable to support the John Z Duling Grant Program.

**TREE RESEARCH AND EDUCATION  
ENDOWMENT FUND  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2002**

**NOTE 4 - BOARD - DESIGNATED ASSETS**

Certain investments have been designated for future use by the Board. The goal is to provide for the development of an endowment sufficient to support significant research efforts, with or without other major ongoing fundraising activities. At December 31, 2002, board - designated assets totaled \$321,586.

**NOTE 5 - TRANSACTIONS WITH RELATED PARTIES**

The Fund has a contribution receivable of \$10,935 from the International Society of Arboriculture at December 31, 2002, whom they are related by common board members. The Fund obtains rental space and pays for certain administrative benefits from International Society of Arboriculture.

This information is an integral part of the accompanying financial statements.