

Financial Statements of

GREENBELT FUND

Period from June 30, 2010 to March 31, 2011



KPMG LLP
Chartered Accountants
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Greenbelt Fund

We have audited the accompanying financial statements of Greenbelt Fund, which comprise the statement of financial position as at March 31, 2011, the statements of operations and changes in fund balance and cash flows for the period from June 30, 2010 to March 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greenbelt Fund as at March 31, 2011, and its results of operations and its cash flows for the period from June 30, 2010 to March 31, 2011 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

July 15, 2011
Toronto, Canada

GREENBELT FUND

(Incorporated as a corporation without share capital under the laws of Ontario)

Statement of Financial Position

March 31, 2011

Assets

Current assets:

Cash and cash equivalents	\$ 575,749
Short-term investments (note 2)	298,650
Accounts receivable	15,384
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	889,783

Capital assets (note 3) 1,484

\$ 891,267

Liabilities and Fund Balance

Current liabilities:

Unpresented cheques (note 4)	\$ 805,879
Accounts payable and accrued liabilities	8,180
Grants payable	48,393
Deferred revenue	33,844
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	896,296

Fund balance (5,029)

Commitments (note 5)

\$ 891,267

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

GREENBELT FUND

Statement of Operations and Changes in Fund Balance

Period from June 30, 2010 to March 31, 2011

Revenue	\$ 1,670,655
Investment income	707
	<hr/> 1,671,362
Expenditures:	
Grants	1,329,351
Salaries and benefits (note 4)	141,530
Consulting fees (note 4)	113,997
Public awareness (note 4)	60,857
Professional fees	13,603
Rent (note 4)	8,000
Office and general (note 4)	7,801
Travel (note 4)	1,252
	<hr/> 1,676,391
Excess of expenditures over revenue, being fund balance, end of period	
	<hr/> \$ (5,029)

See accompanying notes to financial statements.

GREENBELT FUND

Statement of Cash Flows

Period from June 30, 2010 to March 31, 2011

Cash provided by (used in):

Operating activities:

Excess of expenditures over revenue	\$ (5,029)
Change in non-cash operating working capital:	
Accounts receivable	(15,384)
Unpresented cheques	805,879
Accounts payable and accrued liabilities	8,180
Grants payable	48,393
Deferred revenue	33,844
	<hr/>
	875,883

Investing activities:

Purchase of short-term investments	(298,650)
Purchase of capital assets	(1,484)
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	(300,134)

Increase in cash and cash equivalents, being cash and cash equivalents, end of period	\$ 575,749
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Supplemental cash flow information:

Interest received	\$ 707
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See accompanying notes to financial statements.

GREENBELT FUND

Notes to Financial Statements

Period from June 30, 2010 to March 31, 2011

Greenbelt Fund (the "Fund") was incorporated without share capital on June 30, 2010. The Fund's objectives are: (a) to preserve, protect and restore the environment and agricultural integrity of the Greenbelt Area as defined in the Greenbelt Act, 2005 (Ontario) and the regulations thereunder (the "Greenbelt"); (b) to make grants to and to support organizations in the Greenbelt for the purpose of promoting agriculture and viniculture in the Greenbelt; (c) to conduct non-partisan political advocacy in respect of the Greenbelt; and such other complementary purposes not inconsistent with the Fund's objectives. The Fund is a not-for-profit organization under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

A contribution of \$1,704,500 was received from Ontario Ministry of Agriculture, Food and Rural Affairs ("OMAFRA") in order to enable the Fund to carry out its broader public sector investment fund initiatives. Subject to the terms and conditions of the agreement, OMAFRA shall provide funding in the amount up to the maximum of \$3,427,500 for the fiscal 2011-12.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

(a) Revenue recognition:

Investment income is recorded on an accrual basis and includes interest income.

Funding received in advance and not administered to the recipients is deferred in current liabilities until the recipient meets the conditions as defined in the agreement and meets the milestones to receive the funding.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on account and investments in term deposits with original maturities of less than 90 days at the date of acquisition.

GREENBELT FUND

Notes to Financial Statements (continued)

Period from June 30, 2010 to March 31, 2011

1. Significant accounting policies (continued):

(c) Investments:

The Fund has adopted The Canadian Institute of Chartered Accountants' Handbook Section 3855, Financial Instruments - Recognition and Measurement, Section 3861, Financial Instruments - Disclosure and Presentation, and Section 3865, Hedges.

In accordance with these standards, investments are classified as held-for-trading and carried at market value.

Term deposits maturing within a year are stated at cost, which together with accrued interest income, approximates fair value given the short-term nature of these investments.

(d) Capital assets:

Capital assets are stated at cost. All assets over \$1,000 are capitalized. Amortization is provided on a straight-line basis as follows:

Computer equipment	3 years
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(e) Allocation of expenditures:

The Fund does not classify expenditures by function on the statement of operations and changes in fund balance. The Fund does not allocate expenses between functions on the statement of operations and changes in fund balance.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

GREENBELT FUND

Notes to Financial Statements (continued)

Period from June 30, 2010 to March 31, 2011

2. Investments:

	Book value	Fair value
Short-term investments	\$ 298,650	\$ 298,650

Short-term investments include term deposits with an interest rate of 1.80% maturing on December 31, 2011.

The Fund does not enter into any derivative arrangements for hedging or speculative purposes.

3. Capital assets:

	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 1,484	\$ –	\$ 1,484

4. Related party transactions:

Included in salaries and benefits is \$66,706; in consulting fees is \$47,363; in public awareness is \$3,860; in rent expense is \$8,000; in office and general is \$5,510 and included in travel expense is \$139, representing amounts paid by the Fund to the Friends of the Greenbelt Foundation for the use of shared resources during the year. These transactions are in the normal course of operations and are measured at the exchange amounts, which is the amount of consideration established and agreed to by the related parties.

Included in unrepresented cheques is an amount of \$33,106 due to the Friends of the Greenbelt Foundation.

5. Commitments:

The Fund is committed to grant payments of \$762,805 for 2012.