

# 1997

## Annual Report of The Ontario Aggregate Resources Corporation

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*Dedicated To A Resouceful Future*

# BOARD OF DIRECTORS

Representing the Aggregate Producers' Association of Ontario (APAO)

***Roy Bertolo***  
President

***Richard Olsen***  
Vice President

***Richard Seibel***  
Secretary/Treasurer

***Dick Pipe***

Representing the Conservation Council of Ontario (CCO)

***Tony Jennings***

Representing the Conservation Authority & Municipal Interest

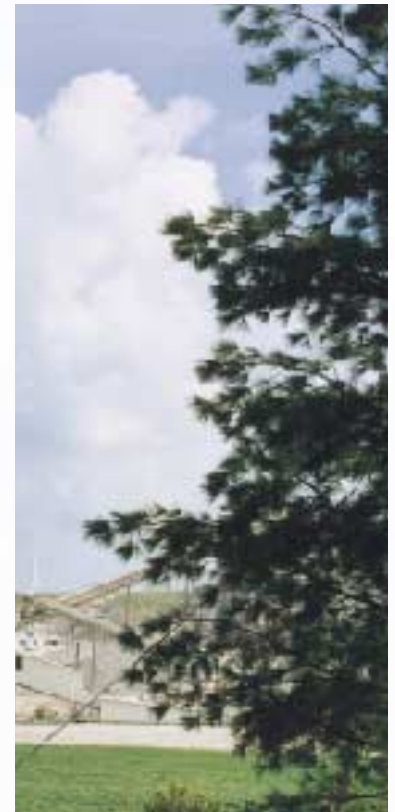
***Allan Holmes***

Representing the Aggregate Industry at large (Non-APAO Member)

***Gord Lavis***

Representing the Ministry of Natural Resources (MNR) as an "Ex Officio Member"

***Dick Hunter***



June 1998

The Honourable John C. Snobelen  
Minister of Natural Resources  
90 Wellesley St. W.  
6<sup>th</sup> Floor, Whitney Block  
Room 6630  
Toronto, ON M7A 1W3

Dear Mr. Snobelen

In accordance with section 6.1(8) of the Aggregate Resources Act, 1990, as amended by (O. Reg. 244/97) and Article 8.05 of the Trust agreement between the Ministry of Natural Resources and the Corporation, I am pleased to present the 1997 annual report of The Ontario Aggregate Resources Corporation for your submission to the Legislative Assembly of Ontario.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy M Bertolo". The signature is written in a cursive, flowing style.

Roy Bertolo  
President  
The Ontario Aggregate Resources Corporation

## PRESIDENT'S MESSAGE



It is my pleasure to present on this, the 1<sup>st</sup> occasion, the annual report for The Ontario Aggregate Resources Corporation for the year ending 1997. Included in this report are the audited Financial Statements for the Aggregate Resources Trust covering the period from June 27, 1997 to December 31, 1997 and The Ontario Aggregate Resources Corporation.

The Ontario Aggregate Resources Corporation through an agreement with the Ministry of Natural Resources (Crown) acts as the Trustee for the Aggregate Resources Trust. It is indeed a privilege to have this partnership with the Government of Ontario and to demonstrate to the many stakeholders that we are committed to providing an efficient and dedicated service to the aggregate industry, municipal government, the Province and the public.

The fabric of the Corporation is uniquely constituted to represent the aggregate industry's commitment, in an environmentally responsive manner, to the Province and to the stewardship of our natural resources.

The Ontario Aggregate Resources Corporation was incorporated under the laws of Ontario on February 20, 1997 and the single shareholder of the Corporation is the Aggregate Producers' Association of Ontario.

Since June 27, 1997 the Corporation has worked diligently to build capacity to ensure that the original transfer of approximately 58 million dollars, representing money held for the purpose of rehabilitation, was invested in accordance with the Trust agreement.

In early December the process to refund a portion of these monies to licensees and permittees was well established and letters of confirmation were sent out to operators that were receiving a refund.

The first six months have been a challenging and rewarding experience. I believe the strong dedication and commitment to the purpose of the Trust and our partnership with the Ministry of Natural Resources will strengthen to ensure that a non-renewable resource can be jointly managed by government and the private sector, benefiting the people of Ontario.

In closing I would like to acknowledge and express my appreciation to my predecessor, Mr. Morris Walker for his contributions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Roy M. Bertolo". The signature is fluid and cursive.

Roy Bertolo  
President of The Ontario Aggregate Resources Corporation  
On behalf of its Board of Directors



# EXECUTIVE MESSAGE

The Ontario Aggregate Resources Corporation through an agreement with the Ministry of Natural Resources acts as the Trustee for the Aggregate Resources Trust which was established pursuant to subsection 6.1(1) of the Aggregate Resources Act (ARA).

## **The purpose of the Trust is to:**

- 1) Facilitate rehabilitation of land for which a Licence or Permit has been revoked and for which final rehabilitation has not been completed;
- 2) Facilitate rehabilitation of abandoned pits and quarries, including surveys and studies respecting their location and conditions;
- 3) Provide research on aggregate resources management, including rehabilitation;
- 4) Submit payments to the Crown in right of Ontario and to Regional municipalities, counties and local municipalities in accordance with the regulations made pursuant to the Aggregate Resources Act;
- 5) Provide for the management of the Abandoned Pits and Quarries Rehabilitation Fund; and
- 6) Such other purposes as may be provided for by or pursuant to subsection 6.1(2) 5 of the Aggregate Resources Act.

In accordance with the Aggregate Resources Act, the Board of Directors of the Corporation represents a diverse interest groups consisting of four members of the Aggregate Producers' Association of Ontario (APAO), one member from the Conservation Council of Ontario, one industry representative who is not a member of the Aggregate Producers' Association of Ontario, a representative of the Conservation Authority and Municipal Interest and a non-voting representative of the Ministry of Natural Resources.

Before receiving the initial 58 million dollars in trust from the Crown, the Corporation established banking arrangements with the Bank of Montreal and then retained the services of Jones Heward Investment Management Inc.

In administering the Abandoned Pits and Quarries Rehabilitation Fund, the Corporation through an agreement with the Aggregate Producers' Association of Ontario contracted authority to the APAO to coordinate the rehabilitation of abandoned aggregate sites. These sites have never been licensed or permitted at any time after December 31, 1989, under the ARA.

Approximately 1 million dollars from the 1997 Abandoned Pits and Quarries Fund was transferred to the Trust prior to year- end. This program is now known as the Management of Abandoned Aggregate Properties (MAAP) program and by year-end had rehabilitated 13 sites across Ontario at a cost of \$478,441.

# EXECUTIVE MESSAGE



*Photograph of project  
under construction*

## Management of Abandoned Aggregate Properties (MAAP) Program

In June of 1997, the Aggregate Producers' Association of Ontario (APAO) entered into an agreement with The Ontario Aggregate Resources Corporation to deliver the Management of Abandoned Aggregate Properties (MAAP) Program. This program was formerly administered by the Ministry of Natural Resources under the name Abandoned Pit and Quarry Rehabilitation Fund.

Prior to the transfer of the program in June of 1997, eighteen rehabilitation projects were approved for rehabilitation by the Abandoned Pit and Quarry Rehabilitation Fund Steering Committee, a multi-stakeholder provincial advisory group. Project budgets for thirteen of these projects were approved in August of 1997 by The Ontario Aggregate Resources Corporations' Board of Directors. Thirteen sites were completed in 1997 at a total cost of \$478,411.00. This work rehabilitated 14.9 hectares of disturbed area to productive agricultural land, and 4.5 hectares of disturbed land to natural areas. Rehabilitation projects took place in the following counties and regions;

Grey County  
Kent County  
Hastings County  
Municipality of Sudbury

Bruce County  
Victoria County  
Northumberland County

Huron County  
Peterborough County  
Haldimand-Norfolk

*Photograph of completed  
rehabilitation*

All construction projects were completed at or below their approved budget.

MAAP continued to fund a research program initiated by MNR and the Steering Committee researching the biodiversity of abandoned pits on the Oak Ridges Moraine. This study will be completed in early 1998.



# THE LIFE OF AN ABANDONED AGGREGATE PROPERTY



*Before Rehabilitation*

**Project 97-07**  
**Lot 12, Conc. 7,**  
**Cramahe Township**  
**Northumberland County**

**Size 1.3 ha**  
**Final Land Use: Natural Area**  
**Contractor: Peak Engineering &**  
**Construction Ltd.**  
**Cost: \$59,171.00**



*During Rehabilitation*

*After Rehabilitation*



*Before Rehabilitation*

**Project 97-18**  
**Lot 15, Conc. 2, Cavan**  
**Township**  
**Peterborough County**

**Size 1.2 ha**  
**Final Land Use: Agriculture**  
**Contractor: Behan**  
**Construction Ltd.**  
**Cost: \$21,232.00**



*During Rehabilitation*

*After Rehabilitation*





# MAAP PROGRAM BACKGROUND

## Program Delivery

The MAAP Program is delivered from the offices of the Aggregate Producers' Association of Ontario located in Mississauga. The APAO Environment and Resources Manager directs the program on behalf of the APAO, and the program additionally employs a Program Coordinator and a Program Technician, who work together to oversee all field activities and on-site construction.

The general scope of work and proposed budget for each project is prepared by the MAAP staff and presented to The Ontario Aggregate Resources Corporations' Board of Directors for approval. Construction contracts are awarded through a public tendering process which includes a mandatory pre-bid site meeting. MAAP Program staff produce all tender documents, and provide site supervision during construction. Construction is generally completed in the spring and fall of each year to take advantage of optimum growing conditions for seed and vegetation.

## Site Selection

Site selection is based on addressing the environmental, safety and aesthetic concerns associated with abandoned aggregate properties across the province. Based on the original site inventories completed by the Ministry of Natural Resources and ongoing requests from interested landowners, a number of geographic areas are targeted each year to focus the program's resources in a cost-efficient manner. The owners of potential sites are contacted with regard to their participation in the Program, and a list of candidate sites are developed for approval by the Board of Directors.

## Ongoing Projects

As the program continues to rehabilitate aggregate properties across the province, it will be of great value to monitor the program's successes as these landscapes mature. MAAP staff will continue to monitor all the completed sites to form the basis of a database of information that will develop over time.

The Ministry of Natural Resources' Science, Development, and Technology Branch continues to monitor a number of these sites on which research projects were completed in past years, and the MAAP Program staff work closely with their researchers to ensure that the goals of the Program continue to be achieved.

## Research

In 1997, the MAAP Program continued to monitor, in partnership with the Ministry of Natural Resources, a research study on the biodiversity of abandoned aggregate sites on the Oak Ridges Moraine. This research will look at existing biodiversity on the moraine, and will offer analysis on the relationships between the extraction and rehabilitation techniques used and the resulting natural communities over time. The study will also suggest methods to be used in developing a predictive model for naturalizing aggregate sites on the Oak Ridges Moraine. Final reports and documentation on this study will be available in mid 1998.



# EXCERPTS OF 1997 LETTERS ADDRESSED TO THE MINISTER OF NATURAL RESOURCES SUPPORTING THE MAAP PROGRAMME:

...I am writing to you in regards to a job well done by the Management of the Abandoned Aggregate Properties program in their efforts and concerns in rectifying a potentially dangerous environment for my family among others in our community.

...So once again I thank you for a fast and efficient job well done.

Sincerely,

*Sherry Frisky Leblanc*

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...When Christopher McGuckin, Program Coordinator for MAAP, contacted us in June of this year, we were skeptical that an industry group could practice sound environmental stewardship. Much to our surprise, but to our complete satisfaction, the rehabilitation project of our abandoned sand pit was a resounding success. Mr. McGuckin, and his colleague Sylvia Rennie, dealt with us in a highly professional manner, including us in the process from start to finish. ...The final results have enhanced the immediate landscape, effectively dealt with a serious problem and provide foundation for future growth. ...

Yours Sincerely,

*Derek M. Burrows*

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...I am sending you this letter to tell you how worthwhile MAAP Program is. On our property the MAAP Program took a useless eyesore that was full of scrub brush and weeds, and returned it to productive agricultural land. You would never know a gravel pit ever existed there. ...

I would like to thank you and the MAAP Program for job well done.

Yours Sincerely,

*Bud Becker*

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... This fall our old gravel pit was rehabilitated into a working agricultural field. We are very happy with the results of this project and appreciate what this program has done.

Thank you,

*Jim Smith*

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...An abandoned pit located on the above noted property was recently rehabilitated. This project was successfully carried out by the Management of Abandoned Aggregate Properties program available to agricultural landowners in Ontario. ...

In closing, there is great value in this type of conservation for Ontario farm land.

Yours very truly,

*W. Gary Urquhart*

# AUDITORS' REPORT

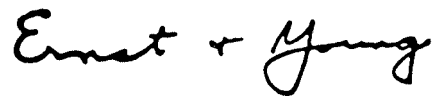
To the Trustee of  
**Aggregate Resources Trust**

We have audited the statement of financial position of **Aggregate Resources Trust** as at December 31, 1997 and the statements of revenue and expenditures and continuity of trust funds for the period from the date of the Indenture Agreement, June 27, 1997, to December 31, 1997. These financial statements are the responsibility of the Trustee of the Trust. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 1997 and the results of its operations and the changes in its financial position for the period from the date of the Indenture Agreement, June 27, 1997, to December 31, 1997 in accordance with generally accepted accounting principles.

Toronto, Canada,  
March 15, 1998.

The logo for Ernst & Young, featuring the company name in a stylized, cursive script.

Chartered Accountants

# STATEMENT OF FINANCIAL POSITION

As at December 31

1997

\$

## ASSETS

Cash	299,340
Investments, at cost [market value - \$58,808,658] [note 3]	58,512,640
Due from Minister of Natural Resources [note 1]	1,629,314
Interest receivable	447,485
Prepaid expenses	5,886
	<b>60,894,665</b>

## LIABILITIES AND TRUST FUNDS

### Liabilities

Accounts payable and accrued liabilities	18,285
Due to Licensees and Permittees [note 1]	48,399,251
Due to The Ontario Aggregate Resources Corporation	62,855
Wayside permit deposits	48,085
<b>Total liabilities</b>	<b>48,528,476</b>

### Trust Funds

Rehabilitation Fund	10,609,472
Abandoned Pits and Quarries Rehabilitation Fund	1,756,717
<b>Total Trust Funds</b>	<b>12,366,189</b>

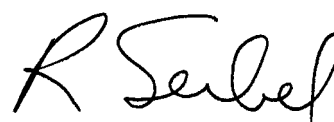
*See accompanying notes*

On behalf of the Trust by The Ontario Aggregate Resources Corporation as Trustee:

Director



Director





# STATEMENT OF REVENUE & EXPENDITURE

Period from the date of the Indenture Agreement, June 27, 1997, to December 31, 1997

	Rehabilitation Fund \$	Abandoned Pits and Quarries Rehabilitation Fund \$	Total \$
<b>REVENUE</b>			
Investment income	1,008,221	—	1,008,221
<b>EXPENDITURES</b>			
Trustee fees	179,567	—	179,567
Professional fees	—	6,700	6,700
Salaries and employee benefits	—	55,826	55,826
Furniture, fixtures and equipment	19,931	31,520	51,451
Travel	—	11,399	11,399
Building rent, taxes and maintenance	—	4,303	4,303
Office	—	5,274	5,274
Advertising	—	6,744	6,744
Communication	—	4,891	4,891
Insurance	—	984	984
	<b>199,498</b>	<b>127,641</b>	<b>327,139</b>
<b>Excess (deficiency) of revenue over expenditures for the period</b>	<b>808,723</b>	(127,641)	681,082
Allocated from (to) the Crown <i>[note 1]</i>	<b>(808,723)</b>	127,641	(681,082)
Net income for the period	—	—	—

*See accompanying notes*

# STATEMENT OF CONTINUITY OF TRUST FUNDS

Period from the date of the Indenture Agreement, June 27, 1997, to December 31, 1997

	Rehabilitation Fund \$	Abandoned Pits and Quarries Rehabilitation Fund \$	Total \$
Trust Funds, beginning of period	—	—	
Minister of Natural Resources transfer <i>[note 1]</i>	58,200,000	1,429,314	59,629,314
Aggregate Producers' Association of Ontario transfer <i>[note 1]</i>	—	933,485	933,485
Aggregate Resources charges paid by Licencees and Permittees <i>[note 1]</i>	—	—	
Allocated amount transferred back by the Crown <i>[note 1]</i>	808,723	(127,641)	681,082
Expenditures incurred in meeting the Trust purposes <i>[schedule and note 1]</i>	(48,399,251)	(478,441)	(48,877,692)
<b>Trust Funds, end of period</b>	<b>10,609,472</b>	<b>1,756,717</b>	<b>12,366,189</b>

*See accompanying notes*

# SCHEDULE OF REHABILITATION COSTS FOR THE ABANDONED PITS AND QUARRIES REHABILITATION FUND

Period from the date of the Indenture Agreement, June 27, 1997, to December 31, 1997

<b>Project number</b>	<b>Project name</b>	<b>Approved amount \$</b>	<b>Paid or payable \$</b>
97-01	Smith Pit, Derby Township	41,409	27,156
97-04	Becker Pit, Delhi Township	14,124	11,267
97-05	Sandercock Pit, Howard Township	34,490	34,490
97-07	Burrows Pit, Cramahe Township	59,171	59,171
97-08	Flieler Pit, Hungerford Township	71,761	71,761
97-11	Plaskett Pit, Bentinck Township	26,536	20,512
97-12	Beldman Pit, Bentinck Township	38,039	30,383
97-13	White Pit, Albermarle Township	35,000	35,000
97-14	Friskey-Leblanc Pit, Town of Walden	49,434	49,434
97-15	Dobson Pit, Mariposa Township	21,414	21,414
97-16	Falconbridge Pit, Capreol Township	38,948	38,948
97-17	Urquhart Pit, Usborne Township	38,561	38,561
97-18	Gillis Pit, Cavan Township	21,232	21,232
97-21	Dance Environmental Study of ORM	19,112	19,112
		<b>509,231</b>	<b>478,441</b>

*See accompanying notes*

## 1. FORMATION AND NATURE OF TRUST

Aggregate Resources Trust [the “Trust”] was settled by Her Majesty the Queen in Right of the Province of Ontario [the “Crown”] as represented by the Minister of Natural Resources [the “Minister”] for the Province of Ontario pursuant to Section 6.1(1) of the Aggregate Resources Act, R.S.O. 1990, Chap. A.8 as amended [the “Act”]. The Minister entered into an Indenture Agreement dated June 27, 1997 with The Ontario Aggregate Resources Corporation [“TOARC”] appointing TOARC as Trustee of the Trust.

The Trust’s goals are: [a] the rehabilitation of land for which a Licence or Permit has been revoked and for which rehabilitation has not been completed; [b] the rehabilitation of abandoned pits and quarries, including surveys and studies respecting their location and condition; [c] research on aggregate resource management, including rehabilitation; [d] payments to the Crown and to regional municipalities, counties and local municipalities in accordance with regulations made pursuant to the Act; [e] the management of the Abandoned Pits and Quarries Rehabilitation Fund; and [f] such other purposes as may be provided for by or pursuant to Section 6.1(2)5 of the Act.

At December 31, 1997, the Trust maintained three funds: the Rehabilitation Fund, the Abandoned Pits and Quarries Rehabilitation Fund and the Aggregate Resources Fund.

Prior to the creation of the Trust, the Trust’s goals were pursued by the Minister and, separately, by the Aggregate Producers’ Association of Ontario [the “APAO”]. Upon the creation of the Trust, rehabilitation security deposits held by the Crown, as represented by the Minister, were to be transferred to the Trust. In addition, the Crown directed the APAO to transfer, on behalf of the Crown, the Abandoned Pits and Quarries Rehabilitation Fund to the Trust. By December 31, 1997, the Minister and the APAO had transferred \$58,000,000 and \$933,485, respectively, to the Trust. Further payments of \$1,629,314 were received by the Trust subsequent to the period end from the Minister.

The Crown, as represented by the Minister, will transfer back to the Trust amounts allocated during the period by the Trust to the Crown as a result of any excess of revenue over expenditures for the period.

The Rehabilitation Fund represents the rehabilitation security deposits, contributed by Licensees and Permittees, held by the Crown and, in accordance with the Indenture Agreement, transferred to the Trust. TOARC has been directed by the Minister to refund approximately 3,000 individual licensee and permittee accounts based on the formula of retaining \$500 per hectare disbursed on licences and 20% of the deposit amount for aggregate permits. As a result, the Trust will refund approximately \$48.4 million subsequent to the period end. The balance of funds will be used to ensure the rehabilitation of land where licences and/or permits have been revoked and rehabilitation has not been completed.

The Abandoned Pits and Quarries Rehabilitation Fund is for the rehabilitation of abandoned sites and related research. Abandoned sites are pits and quarries for which a licence or permit was never in force at any time after December 31, 1989.

The Aggregate Resources Fund is for the collection of the annual licences and wayside fees. The annual licence and wayside fees of \$0.06 are collected in the spring and are disbursed in the latter part of summer or early fall. The fees are disbursed as follows: [a] \$0.04 to the lower tier municipality, [b] \$0.005 to the upper tier municipality, [c] \$0.01 to the Ministry of Natural Resources, and [d] \$0.005 to the Trust. The funds collected for the Trust in the Aggregate Resources Fund will be transferred and used for the Abandoned Pits and Quarries Rehabilitation Fund. In addition, the Trust collects royalty payments and annual fees related to aggregate permits and disburses the funds to the Crown at period end. At December 31, 1997, there was no balance in the Aggregate Resources Fund.

The Indenture Agreement permits TOARC to engage the APAO to incur costs associated with rehabilitation of pits and quarries and subsequently be reimbursed through the Trust’s assets.

The beneficial owner of the Trust’s assets is the Crown, as represented by the Minister.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements of the Trust have been prepared in accordance with generally accepted accounting principles within the framework of the significant accounting policies summarized as follows:

### Capital assets

Expenditures on capital assets are recorded as expenses in the period in which they are incurred.

### Investments

Investments consist of term deposits, treasury bills, Government of Canada bonds, corporate bonds and marketable securities. Investments are recorded at the lower of cost and market value.

### Financial instruments

The fair values of financial instruments approximate their carrying values except as otherwise disclosed in these financial statements.

## 3. INVESTMENTS

Investments consist of the following:

	1997 \$
Term deposits	48,506,000
Treasury bills	1,799,101
Bonds	
Government of Canada	4,130,981
Corporate	1,362,493
Canadian equities	2,293,665
Foreign equities	420,400
	<hr/> 58,512,640 <hr/>

The term deposits bear interest at 3.5% per annum, mature on October 5, 1998 and are redeemable at any time.

The treasury bills have a yield of approximately 3.3% per annum and mature on January 8, 1998.

The Government of Canada bonds bear interest at rates ranging from 5.5% to 7.25% per annum with maturity dates ranging from February 1, 2001 to December 1, 2006.

The corporate bonds bear interest at rates ranging from 6.2% to 6.3% per annum with maturity dates ranging from August 28, 2007 to July 16, 2012.

Legal title to substantially all of the investments beneficially owned by the Trust is held by the Trustee.

## 4. STATEMENT OF CHANGES IN FINANCIAL POSITION

A separate statement of changes in financial position has not been presented as cash flows from operating, investing and financing activities are readily apparent from the other financial statements.

# AUDITORS' REPORT

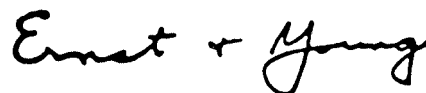
To the Shareholder of  
The Ontario Aggregate Resources Corporation

We have audited the balance sheet of The Ontario Aggregate Resources Corporation as at December 31, 1997 and the statement of operations and retained earnings for the period from the date of incorporation, February 20, 1997, to December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1997 and the results of its operations and the changes in its financial position for the period from the date of incorporation, February 20, 1997, to December 31, 1997 in accordance with generally accepted accounting principles.

Toronto, Canada,  
January 20, 1998.



Chartered Accountants

The Ontario Aggregate Resources Corporation

# BALANCE SHEET

As at December 31

	1997 \$
<b>ASSETS</b>	
Cash	1
Due from Aggregate Resources Trust	62,855
	<hr/> 62,856
<b>LIABILITY AND SHAREHOLDER'S EQUITY</b>	
<b>Liability</b>	
Due to Aggregate Producers' Association of Ontario	62,855
	<hr/>
<b>Shareholder's equity</b>	
Share capital	
Authorized and issued	
1 common share	1
Retained earnings	—
<b>Total shareholder's equity</b>	<hr/> 1
	<hr/> 62,856

*See accompanying notes*

On behalf of the Trust by The Ontario Aggregate Resources Corporation as Trustee:

Director

Director



## STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Period from the date of incorporation, February 20, 1997, to December 31

	1997 \$
<b>REVENUE</b>	
Trustee fees	179,567
<b>EXPENDITURES</b>	
Professional fees	147,889
Travel	6,450
Building rent, taxes and maintenance	9,534
Office	7,682
Advertising	3,743
Communication	1,820
Insurance	2,449
	<hr/> 179,567
<b>Excess of revenue over expenditures for the period and retained earnings, end of period</b>	<hr/> —

*See accompanying notes*



## 1. FORMATION AND NATURE OF OPERATIONS

The Ontario Aggregate Resources Corporation [the “Company”] was incorporated on February 20, 1997. The Company’s sole shareholder is the Aggregate Producers’ Association of Ontario [the “APAO”]. The Company’s sole purpose is to act as Trustee of the Aggregate Resources Trust [the “Trust”]. On June 27, 1997, the Company and Her Majesty the Queen in Right of the Province of Ontario [the “Crown”], as represented by the Minister of Natural Resources [the “Minister”] entered into an Indenture Agreement, appointing the Company as Trustee of the Trust.

In accordance with the Indenture Agreement, the Company incurs administrative as Trustee of the Trust which consists of three funds: the Rehabilitation Fund, the Abandoned Pits and Quarries Rehabilitation Fund and the Aggregate Resources Fund. All costs incurred by the Company on behalf of the Trust are reimbursed from the Trust’s assets.

The Trust’s assets managed by the Company, amounting to approximately \$12.5 million, are not included in the accompanying balance sheet. The beneficial owner of the Trust is the Crown.

## 2. LEASE COMMITMENTS

The future minimum annual lease payments are as follows:

	\$
1998	16,800
1999	17,200
2000	8,700
	42,700

## 3. STATEMENT OF CHANGES IN FINANCIAL POSITION

A separate statement of changes in financial position has not been presented as cash flows from operating, investing and financing activities are readily apparent from the other financial statements.

# PROFESSIONAL ASSISTANCE

## *Banking Institution*

Bank of Montreal

## *Investment Managers*

Jones Heward Investment Management Inc.

## *Auditors*

Ernst & Young

## *Legal Counsel*

Blake, Cassels & Graydon

## *Shareholder*

Aggregate Producers'

Association of Ontario





**THE ONTARIO AGGREGATE  
RESOURCES CORPORATION**  
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