



THE ONTARIO AGGREGATE RESOURCES CORPORATION  
ANNUAL REPORT

2000

## B O A R D O F D I R E C T O R S

# 2001

### **Representing the Aggregate Producers' Association of Ontario (APAO)**

Ken MacLean - Chairman of the Board  
Norm Flemington - Secretary/Treasurer  
Stan Lytle  
Ian Duff

### **Representing the Conservation Council of Ontario (CCO)**

Tony Jennings

### **Representing the Association of Municipalities of Ontario (AMO)**

Carol Seglins

### **Representing the Aggregate Industry at large (non APAO)**

Gord Lavis

### **Representing the Ministry of Natural Resources as an "Ex Officio Member"**

George Ross

# 2000

### **Representing the Aggregate Producers' Association of Ontario (APAO)**

Richard Olsen - Chairman of the Board  
Ken MacLean - Vice-Chairman  
Norm Flemington - Secretary/Treasurer  
Stan Lytle

### **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)**

Gord Lavis

### **Representing the Ministry of Natural Resources as an "Ex Officio Member"**

Dick Hunter



The Ontario Aggregate Resources Corporation  
1001 Champion Avenue, Suite 103, Burlington, Ontario L7L 5Z4  
Tel: (905) 319-7424 Fax: (905) 319-7423

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June 11, 2001

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

Dear Mr. Snobelen:

I am very pleased to submit to you the 2000 Annual Report of The Ontario Aggregate Resources Corporation.

This annual report includes audited financial statements for the Aggregate Resources Trust and The Ontario Aggregate Resources Corporation for the fiscal year ending December 31, 2000. Included within the financial statements for the Aggregate Resources Trust is a schedule of rehabilitation costs for projects completed by the MAAP program in 2000 (formerly the Abandoned Pits & Quarries Rehabilitation Fund). The report also contains information on various initiatives undertaken by the Corporation in pursuit of Trust objectives.

Yours truly,

Ken MacLean  
Chairman of the Board

C H A I R M A N ' S M E S S A G E



It gives me great satisfaction to release the annual report of The Ontario Aggregate Resources Corporation (TOARC) which highlights our activities this past year. The report also includes the audited Financial Statements for TOARC and the Aggregate Resources Trust (the Trust) for the period ending December 31, 2000. This year's annual report marks the fourth year of reporting on the activities of the Trust which was established in 1997 by amendments to the Aggregate Resources Act. TOARC, as trustee, is responsible for implementing the Trust's purposes, which include:

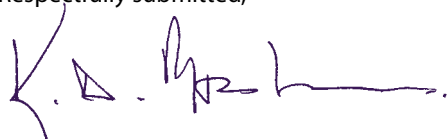
- Rehabilitating land where licenses or permits have been revoked
- Rehabilitating abandoned pits and quarries
- Conducting research on aggregate issues
- Collecting and disbursing licence and permit fees
- The education and training of those having an interest in aggregates
- The collection and dissemination of information related to aggregate issues

In 2000, the Board was pleased to extend an additional \$150,000 in funding to the Toronto and Region Conservation Authority for Phase II of the rehabilitation of the former Timber Brothers Sand and Gravel pit in Uxbridge Township. This will complete a major rehabilitation project, which commenced in 1999. A second rehabilitation project was completed in Peterborough County where a licence was revoked on property owned by Mr. Gordon Podolski. Both Mr. Podolski and neighbours were very pleased with the property improvements.

The MAAP program (Management of Abandoned Aggregate Properties) completed the rehabilitation of 15 properties in 2000 to natural areas and agricultural uses, built fish habitat structures in two former aggregate excavations and completed a 'land art' project in Wellington County with the addition of a windmill. The MAAP program is funded through a portion of the fees paid by Ontario aggregate producers in designated areas and in 2000 expended over \$680,000 on the program including rehabilitation and research projects. Former excavation sites that qualify for the program are rehabilitated at no cost to the landowner or municipality.

The Trust has proven to be a very creative vehicle through which the industry has been able to show leadership to the many stakeholders involved with the aggregate industry.

Respectfully submitted,



Ken MacLean  
Chairman of the Board

P R E S I D E N T ' S M E S S A G E



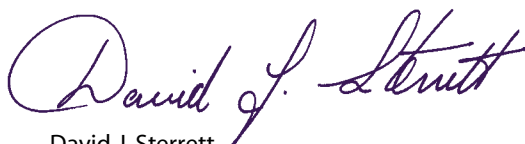
Recent years have been busy for Ontario's aggregate industry. In the past year, The Ontario Aggregate Resources Corporation (TOARC) disbursed approximately 9.5 million dollars, collected from aggregate producers, to the Crown, to municipalities and to the Abandoned Pit & Quarry Fund (operated by the Aggregate Producers' Association as the MAAP program). This money was collected as licence fees, permit fees, wayside pit permit fees and Crown royalties (collectively 'aggregate resource charges'). These aggregate resource charges increased in 2000 by virtue of increased production in 1999 since fees are based on the prior year's level of production. Total aggregate production from all sources for 1999 reached an estimated 157 million tonnes, while production from licenses alone rose to 131 million tonnes, a 5.6% increase from 1998 production of 124 million tonnes.

The Corporation's staff continued to audit production reporting in 2000 as part of a quality assurance program for the recipients of the aggregate resource charges. Production reports representing over 7 million tonnes were reviewed across 62 licenses resulting in approximately \$43,000 (net) in additional fees being collected. This audit program will be expanded in future.

A review of the financial statements shows that overhead expenses for the Corporation were reduced substantially in 2000 compared to 1999 which contained a number of non-recurring start-up costs. For the same period, investment income for the Aggregate Resources Trust (the Trust) grew substantially thanks to capital gains in the equity portfolio.

Staff continued to work diligently this past year to improve the process of production reporting, invoicing and collections and if anyone sees ways to improve things further please give us a call. I had the opportunity to appear before a number of municipal councils in September to personally deliver disbursement cheques as well as discuss the purpose of the Trust and the role of the Trustee. As always, they were enjoyable outings. We hope to improve our ability to communicate with all stakeholders through the Internet this year. Our web site, [www.toarc.com](http://www.toarc.com) is now under construction and hopefully will be live shortly. We will try to make the web site as interactive as reasonably possible so we can maintain communications with all concerned.

Yours truly,



David J. Sterrett  
President

# THE LIFE OF AN ABANDONED AGGREGATE PROPERTY

## PROJECT 00-03

Baynham pit, Huron County, 3.00 hectares returned to natural area, contractor: Wm. Johnson Construction Ltd.



Before rehabilitation



During construction



Following construction and prior to seed germination



Completed site

## PROJECT 00-01B

DFO aquatic habitat enhancement in Van Limbeek pit, RM of York., 0.25 hectares modified to create a wetland along a portion of the existing shoreline as part of DFO study, contractor: R.D. Sutcliffe Contracting Inc.



Wetland cell during excavation



Aquatic planting in newly created wetland area



The primary purpose of the Management of Abandoned Aggregate Properties program (MAAP program) is the rehabilitation of pits and quarries that were abandoned prior to December 31, 1989. The MAAP program is funded by the aggregate industry from an annual licence levy of one half cent for every tonne of aggregate removed from licensed pits and quarries in designated areas of the Province.

## M A A P P R O G R A M O V E R V I E W



In 1997 the Aggregate Producers Association of Ontario (APAO), by way of agreement with The Ontario Aggregate Resources Corporation (TOARC), undertook the management of the Abandoned Pits and Quarries Rehabilitation program on behalf of the Aggregate Resources Trust. Under APAO direction, the program operates as the Management of Abandoned Aggregate Properties program (MAAP) and has rehabilitated a total 60 abandoned aggregate properties across the province.



## REHABILITATION PROJECTS IN 2000:

In 2000, over 28 hectares of land were rehabilitated at a cost of just over \$439,000. In general, the projects took place in the following geographic areas: Huron County (7 sites), Renfrew and Lanark Counties (8 sites) and Guelph area (1 site) The sites were rehabilitated to agricultural land (79%) and to natural areas (21%). The average site was approximately 1.5 hectares.

### Research:

In 1998, MAAP entered into a six-year partnership with the Department of Fisheries and Oceans (DFO) to determine the role of aquatic habitat in shaping fish populations in ponds created by aggregate extraction.

In 2000, two of the four study sites were modified to enhance the aquatic habitat available for fish populations. DFO will continue monitoring these systems for the next three years to determine if the changes to the fish habitat will have any effect on existing fish populations. A third study site located near Stratford will be modified in 2001.

### Spreading the Word:

In 2000, Light & Shade Productions Inc. was engaged to produce a video on the MAAP program. The video incorporates images and interviews from a variety of sites that help describe the nature of the program. It is an effective tool to inform government agencies, research groups, the aggregate industry, landowners and others about MAAP, its history, goals and achievements. Copies of this video and the 2000 MAAP Annual Report are available through the MAAP office by calling (905) 507-2522.

# AGGREGATE RESOURCES TRUST REHABILITATION INITIATIVES 2000



*Podolski property - Before and after rehabilitation*

One of the purposes of the Aggregate Resources Trust is to provide assurance that aggregate operations get rehabilitated once they have been depleted. In the first instance, rehabilitation is the responsibility of the licensee or permittee. However, if a licence or permit is revoked and final rehabilitation of the land has not been completed, the Trust has the authority under subsection 6.1(5) of the Aggregate Resources Act to enter upon the land and carry out whatever rehabilitation the Trustee deems necessary.

In 1999, the Trust undertook the rehabilitation of a property in Uxbridge Township known as the Timbers Brothers Sand & Gravel property. In 2000, the Trust committed an additional \$150,000 towards the completion of this project. Work commenced in the fall of 2000 with completion of the project scheduled for the fall of 2001 or the spring of 2002. With the rough grading having been completed in 1999, the remainder of the work consists primarily of slope stabilization and vegetation. The work is being carried out under the direction of Harrington and Hoyle Ltd.

A second property was also rehabilitated by the Trust in 2000. This property was located in Belmont Township in Peterborough County and was very visible from Highway # 7 and a neighbouring residential area. The biggest



*Timber's property - Seeded and mulched for winter protection*

challenge was re-establishing a gentle slope along the Highway # 7 boundary of the property. The contractor, R. D. Sutcliffe, accomplished this task by building the foundation for the slope with oversized granular materials that had been left behind by the former licensee. The coarse materials were then covered with finer materials and topsoil. The resulting landform was much appreciated by the owner and neighbours. Cost of the rehabilitation work to the Trust was approximately \$20,000.





# A G G R E G A T E   R E S O U R C E S   T R U S T

## F I N A N C I A L   S T A T E M E N T S

December 31, 2000

### 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, 2000 and the statements of revenue and expenses and changes in fund balances and changes in cash flows for the year then ended. These financial statements are the responsibility of the Administrator of the Trust. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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.

The Trust derives revenue from aggregate resources charges to licensees and permittees, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the tonnage reports submitted by these licensees and permittees and the amounts recorded in the records of the Trust and we were not able to determine whether any adjustments might be necessary to aggregate resources charges, current assets and trust funds, end of year.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the aggregate resources charges referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2000 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Hamilton, Canada,  
February 1, 2001.

*BDO Saward LLP*  
Chartered Accountants





# A G G R E G A T E R E S O U R C E S T R U S T

## S T A T E M E N T O F F I N A N C I A L P O S I T I O N

| <b>AS AT DECEMBER 31</b>   | 2000       | 1999       |
|--|------------|------------|
|  | \$         | \$         |
|  |            | (Restated) |
| <b>ASSETS</b>  |            |            |
| <b>Current</b>   |            |            |
| Cash and short-term investments                                    | 1,967,509  | 4,028,928  |
| Due from Licensees and Permittees                                  | 62,829     | 63,147     |
| Interest and dividends declared receivable                         | 134,071    | 152,545    |
| Prepaid expenses   | 10,173     | 10,062     |
| Total current assets   | 2,174,582  | 4,254,682  |
| Investments, at cost <i>[note 3]</i>                               | 12,811,603 | 9,820,593  |
| Capital assets, net <i>[note 4]</i>                                | 73,259     | 79,768     |
|  | 15,059,444 | 14,155,043 |
| <b>LIABILITIES AND TRUST FUNDS</b>                                 |            |            |
| <b>Current</b>   |            |            |
| Accounts payable and accrued liabilities                           | 150,228    | 128,126    |
| Due to Licensees and Permittees <i>[note 1]</i>                    | 6,693      | 12,436     |
| Due to The Ontario Aggregate Resources Corporation <i>[note 1]</i> | 53,705     | 172,737    |
| Wayside permit deposits  | 153,048    | 213,258    |
| Unearned aggregate resources charges                               | 45,270     | 102,440    |
| Due to Governments   | 109,337    | 211,171    |
| Total current liabilities  | 518,281    | 840,168    |
| <b>Trust Funds</b>   |            |            |
| Rehabilitation Fund  | 12,768,744 | 11,543,333 |
| Abandoned Pits and Quarries Rehabilitation Fund                    | 1,772,419  | 1,771,542  |
| Total Trust Funds  | 14,541,163 | 13,314,875 |
|  | 15,059,444 | 14,155,043 |

See accompanying notes

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

Director

Director



# A G G R E G A T E R E S O U R C E S T R U S T

## S T A T E M E N T O F R E V E N U E A N D E X P E N S E S A N D C H A N G E S I N F U N D B A L A N C E S

| FOR THE YEAR ENDED DECEMBER 31   | 2000                                 |                              |  |                   |
|--|--------------------------------------|------------------------------|--|-------------------|
|  | Aggregate<br>Resources<br>Fund<br>\$ | Rehabilitation<br>Fund<br>\$ | Abandoned Pits<br>and Quarries<br>Rehabilitation<br>Fund<br>\$ | Total<br>\$       |
| <b>REVENUE</b>   |                                      |                              |  |                   |
| Investment income [note 3]   | —                                    | 1,867,594                    | —  | 1,867,594         |
| Aggregate resources charges  | 9,418,623                            | —                            | —  | 9,418,623         |
| Publications   | —                                    | 23                           | 2,211  | 2,234             |
| Gain on Disposal of Capital Assets   | —                                    | 2,484                        | —  | 2,484             |
|  | 9,418,623                            | 1,870,101                    | 2,211  | 11,290,935        |
| <b>EXPENSES</b>  |                                      |                              |  |                   |
| Reimbursed expenses  | —                                    | 487,061                      | —  | 487,061           |
| Salaries and employee benefits   | —                                    | —                            | 119,116  | 119,116           |
| Depreciation   | —                                    | 20,422                       | 15,759   | 36,181            |
| Management fees  | —                                    | 59,531                       | —  | 59,531            |
| Travel   | —                                    | —                            | 9,901  | 9,901             |
| Building rent, taxes and maintenance                                       | —                                    | —                            | 10,784   | 10,784            |
| Office   | —                                    | —                            | 3,773  | 3,773             |
| Advertising  | —                                    | —                            | 1,452  | 1,452             |
| Communication  | —                                    | —                            | 4,974  | 4,974             |
| Insurance  | —                                    | —                            | 2,108  | 2,108             |
|  | —                                    | 567,014                      | 167,867  | 734,881           |
| <b>Excess (deficiency) of revenue over expenses before the following</b>   | <b>9,418,623</b>                     | <b>1,303,087</b>             | <b>(165,656)</b>   | <b>10,556,054</b> |
| Allocated to the Governments   | (8,736,846)                          | —                            | —  | (8,736,846)       |
| Allocated to the Crown [note 1]  | (681,777)                            | (1,303,087)                  | —  | (1,984,864)       |
| <b>Excess of expenses over revenue for the year</b>                        | <b>—</b>                             | <b>—</b>                     | <b>(165,656)</b>   | <b>(165,656)</b>  |
| Trust Funds, beginning of year   | —                                    | 11,543,333                   | 1,771,542  | 13,314,875        |
| Allocated from the Crown [note 1]  | 681,777                              | 1,303,087                    | —  | 1,984,864         |
| Interfund transfer   | (681,777)                            | —                            | 681,777  | —                 |
| Expenditures incurred in meeting the Trust purposes [schedules and note 1] | —                                    | (77,676)                     | (515,244)  | (592,920)         |
| Trust Funds, end of year   | —                                    | 12,768,744                   | 1,772,419  | 14,541,163        |

See accompanying notes

# A G G R E G A T E R E S O U R C E S T R U S T

## S T A T E M E N T O F R E V E N U E A N D E X P E N S E S A N D C H A N G E S I N F U N D B A L A N C E S

| FOR THE YEAR ENDED DECEMBER 31   | 1999<br>(Restated)                   |                              |  |                  |
|--|--------------------------------------|------------------------------|--|------------------|
|  | Aggregate<br>Resources<br>Fund<br>\$ | Rehabilitation<br>Fund<br>\$ | Abandoned Pits<br>and Quarries<br>Rehabilitation<br>Fund<br>\$ | Total<br>\$      |
| <b>REVENUE</b>   |                                      |                              |  |                  |
| Investment income [note 3]   | —                                    | 1,092,907                    | —  | 1,092,907        |
| Aggregate resources charges  | 9,002,887                            | —                            | —  | 9,002,887        |
| Publications   | —                                    | —                            | 2,793  | 2,793            |
|  | 9,002,887                            | 1,092,907                    | 2,793  | 10,098,587       |
| <b>EXPENSES</b>  |                                      |                              |  |                  |
| Reimbursed expenses  | —                                    | 741,756                      | —  | 741,756          |
| Professional fees  | —                                    | —                            | 25,339   | 25,339           |
| Salaries and employee benefits   | —                                    | —                            | 105,950  | 105,950          |
| Depreciation   | —                                    | 12,849                       | 15,255   | 28,104           |
| Management fees  | —                                    | 63,194                       | —  | 63,194           |
| Travel   | —                                    | —                            | 9,713  | 9,713            |
| Building rent, taxes and maintenance                                       | —                                    | —                            | 9,226  | 9,226            |
| Office   | —                                    | —                            | 4,706  | 4,706            |
| Advertising  | —                                    | —                            | 2,334  | 2,334            |
| Communication  | —                                    | —                            | 5,252  | 5,252            |
| Insurance  | —                                    | —                            | 2,855  | 2,855            |
|  | —                                    | 817,799                      | 180,630  | 998,429          |
| <b>Excess (deficiency) of revenue over expenses before the following</b>   | <b>9,002,887</b>                     | <b>275,108</b>               | <b>(177,837)</b>   | <b>9,100,158</b> |
| Allocated to the Governments   | (8,337,694)                          | —                            | —  | (8,337,694)      |
| Allocated to the Crown [note 1]  | (665,193)                            | (275,108)                    | —  | (940,301)        |
| <b>Excess of expenses over revenue for the year</b>                        | <b>—</b>                             | <b>—</b>                     | <b>(177,837)</b>   | <b>(177,837)</b> |
| Trust Funds, as previously reported  | —                                    | 11,270,815                   | 1,883,560  | 13,154,375       |
| Prior Period Adjustment [note 5]   | —                                    | 122,410                      | —  | 122,410          |
| Trust Funds, as restated   | —                                    | 11,393,225                   | 1,883,560  | 13,276,785       |
| Allocated to the Crown [note 1]  | 665,193                              | 275,108                      | —  | 940,301          |
| Interfund transfer   | (665,193)                            | —                            | 665,193  | —                |
| Expenditures incurred in meeting the Trust purposes [schedules and note 1] | —                                    | (125,000)                    | (599,374)  | (724,374)        |
| Trust Funds, end of year   | —                                    | 11,543,333                   | 1,771,542  | 13,314,875       |

See accompanying notes



# A G G R E G A T E   R E S O U R C E S   T R U S T

## S T A T E M E N T   O F   C A S H   F L O W S

| <b>FOR THE YEAR ENDED DECEMBER 31</b>   | 2000<br>\$         | 1999<br>\$<br>(Restated) |
|---|--------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                   |                    |                          |
| Excess of expenses over revenue for the year                                  | (165,656)          | (177,837)                |
| Add item not involving cash   |                    |                          |
| Depreciation  | 36,181             | 28,104                   |
| Gain on Disposal of Capital Assets  | (2,484)            | —                        |
|   | (131,959)          | (149,733)                |
| Net change in non-cash working capital balances<br>related to operations      | (303,206)          | (1,007,398)              |
| Cash used in operating activities   | (435,165)          | (1,157,131)              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                   |                    |                          |
| Purchase of capital assets  | (30,930)           | (44,946)                 |
| Proceeds on Disposal of Capital Assets  | 3,742              | —                        |
| Purchase of investments   | (10,652,200)       | (1,303,607)              |
| Sale of investments   | 7,661,190          | 1,615,428                |
| Cash provided by (used in) investing activities                               | (3,018,198)        | 266,875                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                   |                    |                          |
| Expenditures incurred in meeting the Trust purposes<br>Allocated to the Crown | (592,920)          | (724,374)                |
|   | 1,984,864          | 940,301                  |
| Cash provided by financing activities   | 1,391,944          | 215,927                  |
| <b>Net decrease in cash during the year</b>                                   | <b>(2,061,419)</b> | <b>(674,329)</b>         |
| Cash and short-term investments, beginning of year                            | 4,028,928          | 4,703,257                |
| Cash and short-term investments, end of year                                  | 1,967,509          | 4,028,928                |

See accompanying notes

A G G R E G A T E   R E S O U R C E S   T R U S T

**SCHEDULE OF REHABILITATION COSTS  
FOR THE REHABILITATION FUND**

| <b>FOR THE YEAR ENDED DECEMBER 31</b> |                                     |  | 2000               |
|---------------------------------------|-------------------------------------|--|--------------------|
| Project number                        | Project name                        |  | Paid or Payable \$ |
| 99-01                                 | Timbers Brothers Pit, Durham Region |  | 54,855             |
| 00-01                                 | Gord Ellis Pit, Peterborough County |  | 19,854             |
|                                       | Tendering, consulting and other     |  | 2,967              |
|                                       |                                     |  | <b>77,676</b>      |

| <b>FOR THE YEAR ENDED DECEMBER 31</b> |                                     |  | 1999               |
|---------------------------------------|-------------------------------------|--|--------------------|
| Project number                        | Project name                        |  | Paid or Payable \$ |
| 99-01                                 | Timbers Brothers Pit, Durham Region |  | 125,000            |
|                                       |                                     |  | <b>125,000</b>     |

*See accompanying notes*

# A G G R E G A T E R E S O U R C E S T R U S T

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

| <b>FOR THE YEAR ENDED DECEMBER 31</b> |  | 2000                     |
|---------------------------------------|--|--------------------------|
| Project<br>number                     | Project<br>name  | Paid or<br>Payable<br>\$ |
| 00-01                                 | DFO structures, Hastings County, Perth County<br>and Regional Municipality of York | 16,650                   |
| 00-02                                 | Guelph Lake, Wellington County   | 11,185                   |
| 00-03                                 | Baynham Pit, Huron County  | 63,023                   |
| 00-04                                 | Rowley Pit, Huron County   | 21,454                   |
| 00-05                                 | Wiersma Pit, Huron County  | 21,454                   |
| 00-06                                 | Richmond Pit, Huron County   | 30,602                   |
| 00-07                                 | Bray Pit, Huron County   | 18,618                   |
| 00-08                                 | Siertsema Pit, Huron County  | 14,499                   |
| 00-09                                 | Cardiff Pit, Huron County  | 15,440                   |
| 00-10                                 | Mahood Pit, Lanark County  | 19,421                   |
| 00-11                                 | Bradley Pit, Lanark County   | 29,540                   |
| 00-12                                 | Donahue Pit, Renfrew County  | 16,130                   |
| 00-13                                 | Raddatz Pit, Renfrew County  | 26,103                   |
| 00-14                                 | Dobson Pit, Renfrew County   | 8,325                    |
| 00-15                                 | Crozier Pit, Renfrew County  | 18,142                   |
| 00-16                                 | Eady Pit, Renfrew County   | 33,491                   |
| 00-17                                 | Durack Pit, Renfrew County   | 75,623                   |
|                                       | Tendering, consulting and other  | 39,044                   |
|                                       | Research costs   | 36,500                   |
|                                       |  | <b>515,244</b>           |

See accompanying notes

# A G G R E G A T E R E S O U R C E S T R U S T

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

| <b>FOR THE YEAR ENDED DECEMBER 31</b> |  | 1999               |
|---------------------------------------|--|--------------------|
| Project number                        | Project name   | Paid or Payable \$ |
| 97-06                                 | Bear Pit, Hastings County  | 1,968              |
| 98-01                                 | City of Stoney Creek Quarry,<br>Regional Municipality of Hamilton Wentworth          | 2,695              |
| 98-02                                 | Niagara Peninsula Conservation Authority Quarry,<br>Regional Municipality of Niagara | 1,388              |
| 98-03                                 | Township of Middlesex County Pit, Middlesex County                                   | 1,311              |
| 98-04                                 | Van Luven Pit, Frontenac County  | 2,727              |
| 98-06                                 | South Simcoe - Dufferin Track and Field Club Pit,<br>Simcoe County                   | 3,884              |
| 99-01                                 | Wolfe Pit, Bruce County  | 26,589             |
| 99-02                                 | Fiss Pit, Bruce County   | 14,124             |
| 99-03                                 | Rowbotham Pit, Grey County   | 15,740             |
| 99-04                                 | Carson Pit, Grey County  | 10,807             |
| 99-05                                 | Long Pit, Grey County  | 38,916             |
| 99-06                                 | Kerncliffe Quarry, Regional Municipality of Halton                                   | 45,411             |
| 99-07                                 | Grand River Conservation Authority Pit,<br>Wellington County                         | 63,032             |
| 99-08                                 | Dunn Pit, Wellington County  | 32,068             |
| 99-09                                 | Rock Glen Orchards Pit, Lambton County   | 7,640              |
| 99-10                                 | Hodgins Pit, Middlesex County  | 13,942             |
| 99-11                                 | Sprague Pit, Oxford County   | 12,173             |
| 99-12                                 | Lee Pit, Victoria County   | 14,473             |
| 99-13                                 | Rhamani Pit, Durham Region   | 11,228             |
| 99-14                                 | Brackenridge Pit, Peterborough County  | 33,783             |
| 99-15                                 | Onderisin Pit, Victoria County   | 22,272             |
| 99-16                                 | Jackett / White Pit, Victoria County   | 30,103             |
|                                       | Abandoned Pit & Quarry Inventory Report  | 108,000            |
|                                       | Tendering, consulting and other  | 32,600             |
|                                       | Research costs   | 52,500             |
|                                       |  | <b>599,374</b>     |

*See accompanying notes*

# AGGREGATE RESOURCES TRUST

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2000

### 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 a Trust Indenture dated June 27, 1997 [the "Trust Indenture"] 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 final 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] making 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.

In 1999 the Trust's purposes were expanded by amendment to the Trust Indenture to include:

- [a] " the education and training of persons engaged in or interested in the management of the aggregate resources of Ontario, the operation of pits or quarries, or the rehabilitation of land from which aggregate has been excavated; and
- [b] the gathering, publishing and dissemination of information relating to the management of the aggregate resources of Ontario, the control and regulation of aggregate operations and the rehabilitation of land from which aggregate has been excavated."

In accordance with the Trust Indenture, TOARC administers the Trust which consists of three funds: the Aggregate Resources Fund, the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation Fund. TOARC is a mere custodian of the assets of the Trust and all expenditures made by TOARC are expenditures of the Trust.

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, 1999, the Minister and the APAO had transferred \$59,793,446 and \$933,485, respectively, to the Trust.

Pursuant to the Trust Indenture, TOARC "shall pay and discharge expenses properly incurred by it in carrying out and fulfilling the Trust purposes and the administration of the Trust ..." [Section 7.02].

The Rehabilitation Fund represents the rehabilitation security deposits, contributed by Licensees and Permittees, held by the Crown and, in accordance with the Trust Indenture, 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 licenses and 20% of the deposit amount for aggregate permits. As a result, during 1998, 1999 and 2000 the Trust refunded approximately \$48.6 million and an additional \$6,693 will be refunded when the Crown so directs. The balance of funds will be used to ensure the rehabilitation of land where licenses and/or permits have been revoked and final 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 licenses and wayside fees [aggregate resources charges]. The annual licence and wayside fees of \$0.06 per tonne are due by March 15, based on the previous year's production, and are disbursed within six months of receipt. 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 Crown, collectively [the "Governments"] and [d] \$0.005 to the Trust. The funds retained by the Trust from the Aggregate Resources Fund will be transferred within the Trust 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 also disburses the funds to the Crown within six months of receipt

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

The Trust's expenses [or Trustee's expenses] are the amounts paid pursuant to Article 7.02 of the Trust Indenture in fiscal 2000.

Pursuant to Section 4.01 of the Trust Indenture, the Trust's assets and the income and gains derived therefrom are property belonging to the Province of Ontario within the meaning of Section 125 of the Constitution Act, 1867 and, by reason of Section 7.01 of the Trust Indenture, the amounts paid by the Trustee pursuant to Article 7 are paid to or for the benefit of the Crown.

## 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:

### Revenue recognition

Aggregate resources charges are recognized upon receipt of a tonnage report from Licensees and Permittees. Aggregate resources charges are based on the tonnage produced in the preceding period by the Licensees and Permittees as reported by the Licensees and Permittees. If there is no production in the preceding period, an annual fee is recognized for Permittees.

### Unearned revenue

Unearned revenue represents prepayments and overpayments of aggregate resources charges.

### Capital assets

Capital assets are recorded at cost less accumulated depreciation. Depreciation is recorded to write off the cost of capital assets over their estimated useful lives on a straight-line basis as follows:

|                        |         |
|------------------------|---------|
| Computer equipment     | 3 years |
| Furniture and fixtures | 5 years |
| Vehicle                | 4 years |

During 1999 the estimated useful life of computer equipment was changed to three years.

### Cash and short-term investments

The Trust defines cash and short-term investments as cash and short-term investments, which are readily convertible into cash.

### Investments

Investments consist of Government of Canada bonds, corporate bonds, Canadian and foreign equities. Investments are valued, on an aggregate basis, at the lower of cost and market value at the balance sheet date.

### Financial instruments

The fair values of financial instruments approximate their carrying values except as otherwise disclosed in these financial statements. The fair value of investments is determined from quoted market prices.

## 3. INVESTMENTS

Investments consist of the following:

|                      | 2000               |            | 1999               |            |
|----------------------|--------------------|------------|--------------------|------------|
|                      | Market value<br>\$ | Cost<br>\$ | Market value<br>\$ | Cost<br>\$ |
| Bonds                |                    |            |                    |            |
| Government of Canada | 6,348,558          | 6,228,719  | 5,165,087          | 5,387,669  |
| Corporate            | 2,551,390          | 2,533,085  | 1,276,793          | 1,344,938  |
| Canadian equities    | 3,635,123          | 2,819,781  | 3,724,575          | 2,781,589  |
| Foreign equities     | 1,124,369          | 1,230,018  | 495,268            | 306,397    |
|                      | 13,659,440         | 12,811,603 | 10,661,723         | 9,820,593  |

The Government of Canada bonds bear interest at rates ranging from 4.875% to 7.25% per annum [1999 - 5.5% to 7.5%] with maturity dates ranging from June 1, 2003 to August 23, 2010.

The corporate bonds bear interest at rates ranging from 6.25% to 6.625% per annum [1999 - 6.20% to 6.25%] with maturity dates ranging from June 7, 2002 to July 16, 2012.

Investment income is broken down as follows:

|                               | 2000<br>\$ | 1999<br>\$ |
|-------------------------------|------------|------------|
| Interest Income               | 884,437    | 952,193    |
| Dividends                     | 88,257     | 87,004     |
| Capital Gains [net]           | 895,111    | 53,998     |
| Foreign Exchange Losses [net] | (1,139)    | (1,148)    |
| Other Income                  | 928        | 860        |
|                               | 1,867,594  | 1,092,907  |

#### 4. CAPITAL ASSETS

Capital assets consist of the following:

|                        | 2000       |                                   |                            | 1999       |                                   |                            |
|------------------------|------------|-----------------------------------|----------------------------|------------|-----------------------------------|----------------------------|
|                        | Cost<br>\$ | Accumulated<br>depreciation<br>\$ | Net<br>book<br>value<br>\$ | Cost<br>\$ | Accumulated<br>depreciation<br>\$ | Net<br>book<br>value<br>\$ |
| Computer equipment     | 69,784     | 37,689                            | 32,095                     | 46,702     | 21,244                            | 25,458                     |
| Furniture and fixtures | 78,455     | 44,589                            | 33,866                     | 74,600     | 34,542                            | 40,058                     |
| Vehicle                | 27,820     | 20,522                            | 7,298                      | 27,820     | 13,568                            | 14,252                     |
|                        | 176,059    | 102,800                           | 73,259                     | 149,122    | 69,354                            | 79,768                     |

#### 5. PRIOR PERIOD ADJUSTMENT

The prior year figures have been restated for an accounting error. The error is the result of duplicate entries recorded in the accounting records in 1997 related to the

disbursement of security deposits to Licensees and Permittees. As a result, the comparative figures have been restated as follows: Cash and short-term investments

have increased by \$122,410 and the Rehabilitation Fund trust surplus has been increased by \$122,410.

#### 6. COMPARATIVE FIGURES

The comparative figures have been reported upon by another firm of Chartered Accountants.







# THE ONTARIO AGGREGATE RESOURCES CORPORATION

## FINANCIAL STATEMENT

December 31, 2000

### 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, 2000 and the statement of operations and retained earnings for the year then ended. 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, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Hamilton, Canada,  
February 1, 2001

*BDO January 14P*  
Chartered Accountants

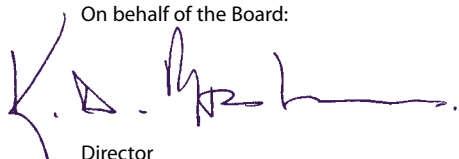
# THE ONTARIO AGGREGATE RESOURCES CORPORATION

## BALANCE SHEET

| AS AT DECEMBER 31                                  | 2000<br>\$ | 1999<br>\$ |
|--|------------|------------|
| <b>ASSETS</b>                                      |            |            |
| Cash   | 1          | 1          |
| Due from Aggregate Resources Trust                 | 53,705     | 172,737    |
|  | 53,706     | 172,738    |
| <b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>        |            |            |
| Liabilities  |            |            |
| Due to Aggregate Producers' Association of Ontario | 53,705     | 172,737    |
| Total liabilities                                  | 53,705     | 172,737    |
| <b>Shareholder's equity</b>                        |            |            |
| Share capital                                      |            |            |
| Authorized and issued                              |            |            |
| 1 common share                                     | 1          | 1          |
| Retained earnings                                  | —          | —          |
| Total shareholder's equity                         | 1          | 1          |
|  | 53,706     | 172,738    |

See accompanying notes

On behalf of the Board:



Director



Director

## STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

| FOR THE YEAR ENDED DECEMBER 31       | 2000<br>\$ | 1999<br>\$ |
|--------------------------------------|------------|------------|
| <b>EXPENSES</b>                      |            |            |
| Salaries and employee benefits       | 315,047    | 331,900    |
| Board expenses                       | 5,160      | 8,948      |
| Professional fees                    | 50,484     | 234,619    |
| Data processing                      | 9,048      | 29,506     |
| Travel                               | 14,756     | 33,740     |
| Communication                        | 26,114     | 36,919     |
| Office                               | 25,298     | 30,742     |
| Building rent, taxes and maintenance | 35,956     | 29,545     |
| Insurance                            | 5,198      | 5,837      |
|                                      | 487,061    | 741,756    |
| Recovery of costs                    | (487,061)  | (741,756)  |
| Net income for the year              | —          | —          |
| Retained earnings, beginning of year | —          | —          |
| Retained earnings, end of year       | —          | —          |

See accompanying notes

# THE ONTARIO AGGREGATE RESOURCES CORPORATION

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2000**

### 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"], a not-for-profit organization. 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 a Trust Indenture, appointing the Company as Trustee of the Trust.

In accordance with the Indenture Agreement, the Company incurs administrative expenses as Trustee of the Trust which consists of three funds: the Aggregate Resources Fund, the Rehabilitation Fund and the Abandoned Pits and Quarries Rehabilitation 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 \$14.5 million, are not included in the accompanying balance sheet. The beneficial owner of the Trust's assets is the Crown.

### 2. LEASE COMMITMENTS

The future minimum annual lease payments in aggregate and over the next four years are as follows:

|      | \$             |
|------|----------------|
| 2001 | 36,000         |
| 2002 | 36,800         |
| 2003 | 37,700         |
| 2004 | 28,800         |
|      | <b>139,300</b> |

### 3. STATEMENT OF CASH FLOWS

A separate statement of cash flows has not been presented as cash flows from operating, investing and financing

activities are readily apparent from the other financial statements.

### 4. COMPARATIVE FIGURES

The comparative figures have been reported upon by another firm of Chartered Accountants.

## PROFESSIONAL ASSISTANCE

### Banking Institution

The Bank of Nova Scotia

### Investment Managers

BMO Harris Investment Management Inc.

### Auditors

BDO Dunwoody LLP

### Legal Counsel

Blake, Cassels & Graydon LLP

### Shareholder

Aggregate Producers' Association of Ontario



THE ONTARIO AGGREGATE  
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