



ANNUAL REPORT

2014



2014 Ontario One Call Board of Directors

Bruce Furlong, Chair - Bell Canada: Telecommunications and Cable Sector

Shelly Cunningham, Vice-Chair – Powerstream: Electrical Sector

Nick Petruzzella, Treasurer (Resigned from Board July 2014) - Six Nations Gas: Gas/Oil/Pipeline Sector

Karen Marner, Treasurer (since July 2014) – Aecon: Excavator Sector

Tony DiPede - North Rock Group: Excavator Sector

Mario Crognale - City of Toronto: Municipal and Government Sector

Corrine Gabrielle - Township of Kingsville: Municipal and Government Sector

Len McMillan - Hydro One: Electrical Sector

J.J. Davis - Kruger Energy: Electrical Sector

Tony Faccia - Rogers Communication: Telecommunications and Cable Sector

Bill McLean - Metro Fibrewerx: Telecommunications and Cable Sector

John Oakley - Enbridge Gas Distribution: Gas/Oil/Pipeline Sector

Mike Shannon - Union Gas Ltd: Gas/Oil/Pipeline Sector

Vision Statement

To reduce damages to underground facilities and promote safe excavation practices through the operation of a state of the art One Call Centre for all facility owners in Ontario.

Mission Statement

We will accomplish this by:

- Increasing membership and understanding our member needs
- Maintaining a mutually healthy alliance relationship with our service providers
- Focusing on providing a cost-effective and high quality service to stakeholders
- Promoting damage prevention initiatives in Ontario and industry wide
- Providing an open and dependable communication channel for all stakeholders
- Enhance call centre operational excellence through consistent, repeatable processes
- Adopt best practices

Introduction

Role

Ontario One Call is mandated under the *Ontario Underground Infrastructure Notification System Act 2012* (the Act) to provide the following services:

- To operate a one call system to receive excavator requests for the location of underground infrastructure in Ontario
- To identify for excavators whether underground infrastructure is located in the vicinity of a proposed excavation or dig site
- To notify a member of Ontario One Call of proposed excavations or digs that may affect the underground infrastructure of the member
- To raise public awareness of Ontario One Call and the need for safe digging

Under **Ontario Regulation 92/14**, Ontario One Call also has responsibility for compliance as it relates to offences under the Act.

Governance

Ontario One Call is governed by a 15 member Board of Directors, with three representatives from each of the following sectors: Municipal; Telecommunications and Cable; Electrical; Gas & Oil. There are also two representatives from the excavating community and one representative from members who fall outside of the four identified member categories.

The roles and responsibilities of members and excavators are further specified in the by-laws of the Corporation.

Relationship to Government

While neither a government entity nor a Delegated Administrative Authority, Ontario One Call's oversight relationship with the government is described through a Memorandum of Understanding and a Letter of Understanding signed with the Ministry of Government and Consumer Services. This relationship helps align the activities of Ontario One Call with the work of other similar regulatory bodies, including the Technical Standards & Safety Authority (TSSA) and the Electrical Safety Authority (ESA).

Chair's Report

May 4, 2015

For many years, infrastructure owners and excavators worked towards a single vision – a mandatory One Call system to improve safety for all Ontario. I am very gratified that this vision became reality in 2014.


June 2014 was the final month for members to join the mandatory One Call system established by the *Ontario Underground Infrastructure Notification System Act*. Our membership now exceeds 600 members with hundreds of utilities, telecommunications companies and other infrastructure owners working together to improve public and worker safety.

The Board of Directors continues its important work to evolve the organization. The membership of the Board was expanded in 2014 to include excavator representatives. There is also wide member and excavator participation in the Operations Committee and the newly-formed Compliance Committee.

Our work with the Ministry of Government and Consumer Services continues to be a priority. Both parties collaborate on a staff-to-staff basis, and there are also meetings between Board leadership and senior Ministry leadership. This engagement helps Ontario One Call deliver on its obligations contained in the Memorandum of Understanding and the Letter of Understanding signed with the Ministry.

As Chair, I have been struck by the incredible speed of change the organization is experiencing. Whether it is new stakeholder participation opportunities or new technology platforms, Ontario One Call is rapidly evolving to meet the high safety and operational expectations of members and excavators. The progress to date has been phenomenal, and I want to thank the Ontario One Call staff and all those individuals who have contributed to this success.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Furlong", written over a horizontal line.

Bruce Furlong
Board Chair, Ontario One Call

Executive Director's Report

May 4, 2015

I am pleased to say that 2014 represented another year of historic progress at Ontario One Call.

Much of our focus was on the final on-boarding of new members. Membership has grown from 170 members in 2012 to over 600 by mid-2014. This remarkable growth has only been possible due to the outstanding commitment of Ontario One Call staff and our service partners. We are also indebted to the many staff members whose organizations are new to Ontario One Call. It is a privilege to work with them in improving their damage prevention efforts.

For our members, we continue to improve the services we offer. The launch of the Web Ticketing platform in 2014 was a tremendous success, with large volumes of users switching to the online self-service option. Members are very supportive of the sketch tool, which allows excavators to virtually "white line" the proposed excavation area.

The Operations Committee will support further system improvements in 2015 and beyond. They are an important stakeholder group who keep the organization focused on the most pressing needs and challenges of our users.

The Compliance Committee was established late in 2014. They have the responsibility of steering the organization's compliance activities, which is a very important legislated duty. Our initial compliance work has already seen important successes in areas such as reducing the abuse of emergency locates, but there are many other issues the Committee will examine in 2015.

Since taking over as Executive Director in July 2014, I have seen the industry work very diligently to adopt the new mandatory system and change their practices to support the goal of damage prevention. The onus on Ontario One Call is to continue to be responsive to members and excavators, and to continue to improve the services we offer.

Sincerely,



Ben Hamilton
Executive Director, Ontario One Call

2014 Highlights

- By the end of the final registration date in June 2014, Ontario One Call had on-boarded 364 new members in 2014, including 291 municipalities. Our overall membership is now over 800 entities
- Handled over 911,000 excavator requests, resulting in over 6.2 million notifications to our members. This was up from 834,000 requests and 4.8 million notifications in 2013.
- Web Ticketing Portal was launched in Q4 2014, and proved an immediate success with over 70% of tickets auto-processing. The new tool features a mapping tool which allows excavators to virtually “white line” the area of their excavation, thereby providing clearer information to members
- Members voted to reduce notification fees from previous \$2.10/\$1.60 schedule to a flat fee of \$1.40
- Compliance Committee was established in November 2014, with their work supported by a full-time Investigations and Compliance Manager
- Implementation of new processes at the call centre to reduce emergency locate abuse and stream non-emergency requests to the regular ticket queue; immediate 20-25% reduction in number of emergencies being processed
- Dramatic reduction in Accounts Receivable from almost \$2 million to under \$200,000 via improved member billing procedures
- Continued to grow our social media presence on Facebook and Twitter to increase communication with members and stakeholders
- Presented before numerous audiences, including NOMA, FONOM, ROMA/OGRA, the Ontario Regional Common Ground Alliance and other One Call organizations across Canada

Complaints

Ontario One Call responds to complaints received from members, excavators, stakeholders and members of the public. We provide information and encourage two-way communication to ensure that parties are responsive to their obligations under the law. Where possible, complaints are dealt with at the source and in a timely manner. The nature and volume of complaints is also tracked to evaluate compliance on a broader level.

In 2014, Ontario One Call received 390 complaints regarding compliance with the Act. Of those, 252 had been responded to and closed and 138 were deemed not to be a violation of the Act and closed.

Treasurer's Report

May 4, 2015

As the final cohort of members joined Ontario One Call in June 2014, the financial position of the organization continued its rapid evolution. With membership growing at an express rate, outbound notifications saw another double-digit increase to over 6.2 million. This correlates with the total revenues earned in 2014 reaching \$7.3 million, up from \$6.6 million in 2013.

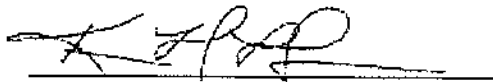
In December 2014, the membership voted to reduce the 2015 Fee Schedule from \$2.10/\$1.60 per notification to a flat rate of \$1.40. This was recommended to the membership as Municipalities will start paying into the system in 2015. With the dramatic increase in the number of billable units, the logical step was to reduce the per-unit cost.

In 2014, total expenses grew from \$5.2 million in 2013 to \$5.5 million. This variance is mostly explained by higher than projected mapping costs in order to support the large influx of members in 2014, as well as higher accounting and auditing expenses.

In 2014 there was an excess of revenues over expenses of \$1.7 million. This is an increase from \$1.2 million in 2013. Ontario One Call currently has a very healthy cash and cash equivalents balance of \$3.3 million, an increase from \$2.0 million at the end of 2013. This gives the Board flexibility in terms of funding future commitments or returning money to the membership.

The outlook for 2015 is on track with the Budget. Even with the significant reduction in the Fee Schedule, the Board projects a modest net income and positive cash flow. This gives the Board flexibility to fund some additional in-year initiatives which they deem appropriate.

Sincerely,



Karen Marner
Treasurer, Ontario One Call

ONTARIO ONE CALL
Financial Statements
December 31, 2014

ONTARIO ONE CALL

Index to Financial Statements

Year Ended December 31, 2014

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenue and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario One Call

I have audited the accompanying financial statements of Ontario One Call, which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of revenue and expenses, changes in net assets and cash flows for the years ended December 31, 2014 and December 31, 2013, and 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 accounting standards for not-for-profit organizations, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 the auditor's 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, the auditor considers 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.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report to the Members of Ontario One Call (continued)

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Ontario One Call as at December 31, 2014 and December 31, 2013 and the results of its operations and its cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, ON
April 21, 2015

A handwritten signature in cursive script, appearing to read "Donaldson".


Chartered Accountant Professional Corporation
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

ONTARIO ONE CALL


Statement of Financial Position
December 31, 2014

	December 31 2014	December 31 2013
ASSETS		
CURRENT		
Cash	\$ 1,321,592	\$ 1,011,917
Term deposits (Note 3)	2,000,000	1,000,000
Accounts receivable (Note 4)	822,719	738,228
Prepaid expenses	29,742	57,496
	<u>4,212,930</u>	<u>2,807,641</u>
PROPERTY AND EQUIPMENT (Note 5)	273,101	303,411
	<u>\$ 4,486,031</u>	<u>\$ 3,111,052</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 730,995	\$ 847,704
Harmonized sales tax payable	-	15,844
	<u>730,995</u>	<u>863,548</u>
NET ASSETS		
Net assets	<u>3,755,036</u>	<u>2,247,504</u>
	<u>\$ 4,486,031</u>	<u>\$ 3,111,052</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

ONTARIO ONE CALL
Statement of Revenue and Expenses
Year Ended December 31, 2014

	2014	2013
REVENUE	\$ 7,256,182	\$ 6,602,859
EXPENSES		
Call centre management fees	3,556,003	3,803,800
Salaries, wages and fees	664,909	451,682
Mapping expenses	466,465	325,676
Professional fees	393,740	231,738
Consultants	205,545	122,250
Amortization	149,779	26,455
Other operating expenses	144,202	78,528
Rent	87,643	58,213
Advertising	61,934	92,619
Employees travel and expenses	56,122	82,873
Office expenses	44,505	25,507
Insurance	23,401	23,477
Shows and conferences	21,808	16,284
Sponsorships	21,500	27,550
Website	8,322	11,788
Interest and bank charges	(7,066)	(623)
Bad debt expense	-	25,159
	5,898,812	5,402,976
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	1,357,370	1,199,883
INCOME TAX RECOVERED (Note 6)	150,162	-
EXCESS OF REVENUE OVER EXPENSES	\$ 1,507,532	\$ 1,199,883

See notes to financial statements

ONTARIO ONE CALL
Statement of Changes in Net Assets
Year Ended December 31, 2014

	<u>2014</u>	<u>2013</u>
NET ASSETS - BEGINNING OF YEAR	\$ 2,247,504	\$ 1,047,619
Excess of revenue over expenses	<u>1,507,532</u>	<u>1,199,883</u>
NET ASSETS - END OF YEAR	<u>\$ 3,755,036</u>	<u>\$ 2,247,502</u>

ONTARIO ONE CALL
Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,507,532	\$ 1,199,883
Item not affecting cash:		
Amortization of property and equipment	<u>149,779</u>	<u>26,455</u>
	<u>1,657,311</u>	<u>1,226,338</u>
Changes in non-cash working capital:		
Accounts receivable	(84,491)	30,933
Accounts payable and accrued liabilities	(116,709)	371,177
Prepaid expenses	27,754	2,404
Harmonized sales tax payable	<u>(54,721)</u>	<u>18,080</u>
	<u>(228,167)</u>	<u>422,594</u>
Cash flow provided by (used in) operating activities	<u>1,429,144</u>	<u>1,648,932</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(119,469)	(179,366)
Term deposits	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Cash flow provided by investing activities	<u>(1,119,469)</u>	<u>(1,179,366)</u>
INCREASE IN CASH FLOW	309,675	469,566
Cash - beginning of year	<u>1,011,917</u>	<u>542,351</u>
CASH - END OF YEAR	<u>\$ 1,321,592</u>	<u>\$ 1,011,917</u>

ONTARIO ONE CALL
Notes to Financial Statements
Year Ended December 31, 2014

1. DESCRIPTION OF ORGANIZATION

On August 10, 2011 Ontario One Call (the "Corporation") was continued as a not-for-profit corporation under the Corporations Act (Ontario). It is not subject to Income Tax. It was originally incorporated on February 22, 1996 under the Business Corporations Act (Ontario). The objects of the Corporation are to operate a call system to receive excavator requests for the location of underground infrastructure within Ontario; to identify for excavators whether underground infrastructure is located in the vicinity of a proposed excavation or dig site; to notify a member of the Corporation of proposed excavations or digs that may affect the underground infrastructure of the member; and to raise public awareness of the Corporation and the need for safe digging.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation of the Financial Statements

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles the most significant of which are summarized as follows:

Revenue Recognition

Revenue is recognized at the time the call is received and notification made. Unrestricted investment income is recognized as revenue when earned.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer software	3 years	straight-line method
Computer equipment	3 years	straight-line method
Furniture and equipment	3 years	straight-line method

Financial Instruments

Measurement of financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable.

Impairment

Financial assets measured at cost are tested annually for impairment if there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

(continues)

ONTARIO ONE CALL
Notes to Financial Statements
Year Ended December 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounting Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Specifically, these financial statements include management estimates and assumptions relating to the valuation of accounts receivable and the valuation of property and equipment and their useful lives.

3. TERM DEPOSITS

Term deposits consists of the following:

	<u>2014</u>	<u>2013</u>
Guaranteed Investment certificate bearing interest at 0.95% maturing September 9, 2015	\$ 1,000,000	\$ 1,000,000
Guaranteed Investment certificate bearing interest at 0.95% maturing November 9, 2015	<u>1,000,000</u>	<u>-</u>
	<u>\$ 2,000,000</u>	<u>\$ 1,000,000</u>

4. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ 857,223	\$ 773,228
Less: Allowance for doubtful accounts	<u>(34,504)</u>	<u>(35,000)</u>
	<u>\$ 822,719</u>	<u>\$ 738,228</u>

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	<u>2014 Net book value</u>	<u>2013 Net book value</u>
Computer software	\$ 269,318	\$ 89,773	\$ 179,545	\$ 250,500
Computer equipment	162,768	74,962	87,806	41,411
Furniture and equipment	17,249	11,499	5,750	11,500
	<u>\$ 449,335</u>	<u>\$ 176,234</u>	<u>\$ 273,101</u>	<u>\$ 303,411</u>

ONTARIO ONE CALL
Notes to Financial Statements
Year Ended December 31, 2014

6. INCOME TAX RECOVERED

Income Tax recovered consists of corporate taxes refunded to the Corporation since it is now a not-for-profit corporation.

7. RELATED PARTIES

	<u>2014</u>	<u>2013</u>
<i>Management-member</i>		
Fee revenue	\$ 1,412,978	\$ 1,304,329
Accounts Receivable at year end	\$ 158,792	\$ 154,406
<i>Management-member</i>		
Fee revenue	\$ 1,013,243	\$ 960,189
Consulting Expenses	(76,166)	-
Accounts Receivable at year end	\$ 52,047	\$ 46,697
<i>Management-member</i>		
Fee revenue	\$ 665,343	\$ 642,556
Accounts Receivable at year end	\$ 31,182	\$ 25,868
<i>Management-member</i>		
Fee revenue	\$ 963,617	\$ 852,193
Accounts Receivable at year end	\$ 230,645	\$ 103,588

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Economic Dependence

These four members were the source of 56% of the total fee revenue generated by the Corporation during the current year.

8. CAPITAL DISCLOSURES

The Corporation's objectives when managing capital are to safeguard cash and its ability to continue to provide services and benefits for its members and other stakeholders.

Capital at the Corporation is comprised of net assets. In order to maintain or adjust its capital structure, the Corporation may obtain additional funding from its members.

The Corporation is not subject to any externally imposed capital requirements.

ONTARIO ONE CALL
Notes to Financial Statements
Year Ended December 31, 2014

9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Credit Risk

Credit risk represents the financial loss that the Corporation would experience if a counterparty to a financial instrument failed to meet its obligations. The Corporation's credit risk is primarily attributable to its accounts receivable. The amounts disclosed on the balance sheet are net of allowances for doubtful accounts, estimated by the Corporation's management based on prior experience. The Corporation believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk.

The Corporation has established various internal controls designed to mitigate credit risk such as account monitoring procedures.

Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at reasonable cost. Management manages liquidity risk by monitoring its operating requirements and preparing budgets to ensure it has sufficient funds to fulfill its obligations.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Management has attempted to control the effects of market risk by maintaining a conservative investment portfolio 100% invested in GIC's.

Interest and Currency Risks

It is management's opinion that the Corporation is not exposed to significant interest or currency risks arising from these financial instruments.

There has been no change to the extent of exposure to the above risks from 2013

10. LEASE COMMITMENTS

The Corporation leases premises under two long term leases expiring October 31, 2016 and March 31, 2018. Future minimum lease payments exclusive of harmonized sales tax and operating charges as at year end are as follows:

2015	\$	51,034
2016		49,520
2017		41,950
2018		10,476
		<hr/>
	\$	152,980
