



Annual Report & Strategic Plan **2017**



2017 ONTARIO ONE CALL BOARD OF DIRECTORS

Tony DiPede

North Rock Group – Excavator Sector

Michael Fiorini, Vice-Chair

Cable Cable – Telecommunications and Cable Sector

Corrine Gabriele

Town of Kingsville – Municipal Sector

Kevin Green

Bell Canada – Telecommunications and Cable Sector

Chris Hudson

Alectra – Electrical Sector

Karen Marner, Treasurer

Aecon – Excavator Sector

Dan Moulton

Various Director Roles – Telecom Sector

Scott Mudie, Chair

Oakville Energy Services – Electrical Sector

John Oakley

Enbridge Gas Distribution – Gas/Oil/Pipeline Sector

Enrico Scalera

Town of Oakville – Municipal Sector

Ysni Semsedini

Festival Hydro – Electrical Sector

Mike Shannon

Union Gas – Gas/Oil/Pipeline Sector

William Shea

City of Toronto – Municipal Sector

CHAIR'S REPORT

April 15, 2018

As a Board of Directors, our role is to ensure that Ontario One Call remains focused on being the premier partner for members and excavators in enabling responsible excavation. Our ultimate objective is defined by our mission statement: "Protecting your community from the loss of service and harm caused by damages to underground infrastructure."

Each year, the Board reviews the strategic plan to ensure that it is aligned with the future needs of our members, excavators and stakeholders. Our plan for the next five years is included as part of this report, and we are confident that it will successfully guide the organization forward.

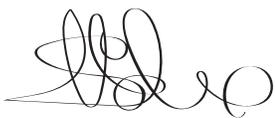
This Annual Report will also update members on the financial standing of the organization, as well as the priorities and metrics established for 2018.

We are pleased that a new five-year Memorandum of Understanding with the provincial government is now in place. Our relationship with the Ministry of Government and Consumer Services is an important part of our operating model. Although we are not a delegated administration authority, ON1Call works to meet high standards of service and governance.

The Board has worked closely with the Operations Committee over the last year to ensure closer collaboration. The Committee regularly presents before the Board and provides greater context to operational issue which may affect members and excavators.

As my term as Chair comes to an end, I would like to thank my fellow Board Members and all the employees of ON1Call for their efforts during my term as Chair. I am pleased to say that I will be continuing on the Board and look forward to helping the organization continue its success.

Sincerely,



Scott Mudie
Board Chair, Ontario One Call

EXECUTIVE DIRECTOR'S REPORT

April 15, 2018

As Executive Director of Ontario One Call, I am very pleased to share with you our Annual Report and Strategic Plan. This document is meant to concisely communicate to members, excavators and stakeholders the progress we're making as an organization as well as our future direction.

2017 had a number of highlights. Service levels improved significantly in the second year of our in-house contact centre. We are delivering consistent, timely and quality service to those who use the ON1Call system. Our new Northern Ontario office in Sudbury opened, expanding both our overall capacity as well as our French-language service capabilities.

The implementation of Map Selection Notification (MSN) was a major success of 2017. We are already seeing meaningful declines in over-notifications, and that means significant time and money savings for our members. Improving our ticket platform is an important focus of our plan going forward.

Ontario One Call continues to invest in new technology, not only in terms of state-of-the-art servers, but also through improved mapping tools and additional features on our operating platform. Members and excavators will see many of those improvements roll out over the next 12 months.

We have also expanded our marketing campaigns, including the first ON1Call commercial as well as in store partnerships with companies such as Home Depot. We will continue our efforts to increase awareness of ON1Call and the need to call or click before you dig.

The strategic vision laid out by the Board of Directors includes new metrics and approaches which will provide greater insight into our organization. It reminds us that safety is a goal that we can only reach by working together, and ON1Call will continue to be a vital partner in making that happen.

Sincerely,



Ben Hamilton
Executive Director, Ontario One Call

TREASURER'S REPORT – 2017 AUDITED FINANCIALS

April 15, 2018

Ontario One Call continues its prudent financial management of our members' contributions.

Notification fees were unchanged in 2017, and with relatively stable notification volumes the revenues increased slightly from \$8.395 million to \$8.449M million.

Expenses in 2017 increased to \$8.2 million as compared to \$5.8 million in 2016. This increased amount was due to the opening of a new contact centre facility in Sudbury as well as increased staffing in Guelph to improve service levels. There was also a substantial increase in the advertising and promotion budget as part of our mandate to increase public awareness of Call Before You Dig.

Ontario One Call's current assets are \$5.3 million, with an additional \$2.1 million in property and equipment. The opening of the new Sudbury office contributed substantially to an increase in technology hardware assets, leasehold improvements and furnishings.

In December 2017, the membership voted to replace the existing fee per notification revenue model with an assessment-based model. This will ensure that the organization continues to be funded properly during the implementation of new technologies which benefit our members but would otherwise adversely affect revenues.

Sincerely,



Karen Marner
Treasurer, Ontario One Call

PROGRESS ON 2017 PRIORITIES

Last year's Annual Report included 11 Business Plan priorities for 2017. Outcomes include:

1. Map Selection Notification (MSN) was successfully launched in December 2017. Members have already seen significant declines in over-notifications, with further benefits to accrue as members modify their mapping and system settings
2. Increased analytics have been provided to members, including monthly locate delivery performance reports for our largest members
3. ON1Call's Northern Ontario office in Sudbury was officially opened in June 2017
4. Abuse of emergency locates has been significantly reduced. Overall, emergency locate requests are down approximately 40% since 2015
5. The membership approved the adoption of assessment-based billing starting in 2018. The revenue requirement will remain fixed for 2018 at approximately \$8.4M
6. New policies around compliance matters have been approved by the Board and posted on our website
7. A new Memorandum of Understanding was signed by the Minister of Government and Consumer Services. This agreement will govern the relationship between ON1Call and the Ministry for the next five years
8. Our public awareness efforts included the first ever ON1Call television commercial, supported by radio, billboard and in-store advertising with partners such as Home Depot
9. An organizational scorecard has been developed for 2018 to highlight industry performance on high-level metrics such as locate delivery and public awareness
10. The ON1Call website was refreshed and includes greater access to information about the organization and its policies
11. An online education session was held for members to introduce them to the compliance policies passed by the Board

2017 COMPLIANCE REVIEW

Compliance Summary

Ontario One Call receives complaints from members, excavators and the public. Through our investigations and compliance group, our first priority is to work with the parties to reach a prompt resolution. Ontario One Call also refers matters to other regulatory bodies as circumstances merit.

Overall valid complains in 2017:

Complaints against Members: **807**
Complaints against Excavators: **18**
Complaints against ON1Call: **1**

Complaints are broken down by stakeholder and offence

MEMBERS	Valid Total
LATE LOCATES	681
INCOMPLETE LOCATES	2
EXCAVATION WITHOUT LOCATES	2
EMERGENCY ABUSE	8
FAILED TO REGISTER INFRASTRUCTURE	2
DID NOT RESPOND TO 360	49
RELOCATE ABUSE	1
DELINQUENT ACCOUNT	14
FAILED TO RESPOND TO A LOCATE	21
EXCAVATION IN UNSAFE MANNER	0
DEFICIENT CLEARANCE	1
FALSE RENEGOTIATED DATE	26

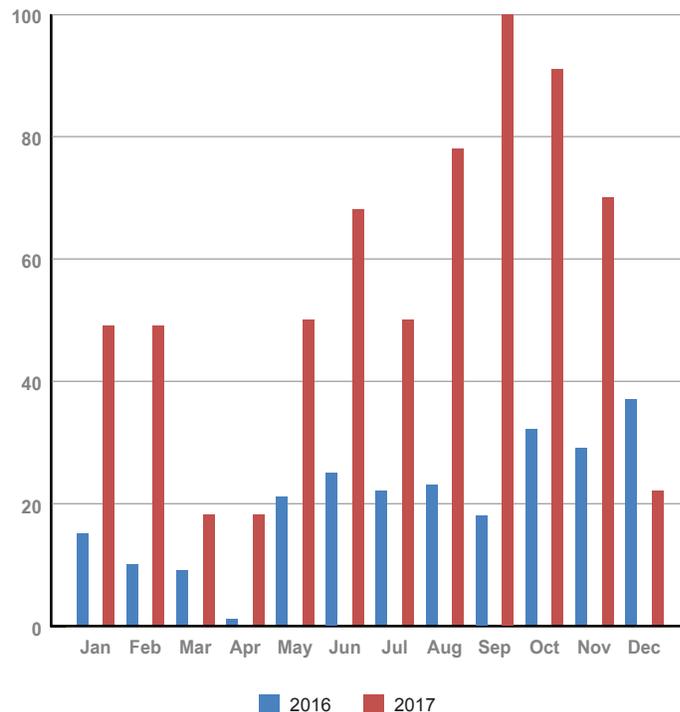
2017 COMPLIANCE REVIEW

EXCAVATOR	Valid Total
EMERGENCY ABUSE	7
EXCAVATION WITHOUT LOCATES	1
RELOCATE ABUSE	4
OTHER	5
EXCAVATION IN UNSAFE MANNER	1
ON1CALL	Valid Total
SERVICE LEVEL COMPLAINT	0
AGENT COMPLAINT	1

Complaints by ORCGA Geographic Area

Chattam-Essex	19
Grey-Bruce	6
GTA-East	68
Hamilton-Niagara	65
London-St. Thomas	12
Dufferin-Simcoe	49
ON-East	50
ON-North	19
ON-Northwest	6
ON-Southeast	11
ON-West	35
Sarnia	7
Toronto – York - Peel	525

Number of Valid Late Locate Complaints



2018 **BUSINESS PLAN** & 2018–2022 **STRATEGIC PLAN**

Ontario One Call includes its five year strategic plan and annual business plan as part of our Annual Report. This is to allow members, excavators and stakeholders the opportunity to consider both our future direction and current performance in a single document.

Mission

In February 2018, the Board reviewed the organization’s mission statement and updated it to read:

“Protecting your community from the loss of service and harm caused by damages to underground infrastructure”

Vision

The Board also refined their vision to read:

“Members should view us as their premier partner enabling responsible excavation”

Foundational Areas

The future direction envisioned by the Board was then grouped under three foundational areas:

- Member Focus & Value
- Openness & Transparency
- Governance & Accountability

Five-Year Strategic Imperatives

- Excavators should see us as reliable, firm and fair. They should have confidence the system works
- Our service should be innovative and unlock value for members
- We will help members achieve results
- The government should see us as open, transparent and listening to stakeholders. To outside scrutiny, our service should be transparent, more consistent in service levels and compare with other industry leader best practices
- The public will have a universal commitment to Call Before You Dig

CORPORATE SCORECARD

The corporate scorecard measures progress towards ON1Call’s goals. It is different from the employee scorecard as it will measure the multi-year progress that members, excavators and ON1Call make towards a better locate system.

MISSION	<i>“Protecting your community from the loss of service and harm caused by damages to underground infrastructure”</i>				
VISION	<i>“Members should view us as their premier partner enabling responsible excavation”</i>				
FOUNDATIONAL AREAS	Member Focus & Value		Openness & Transparency		Governance & Accountability
STRATEGIC IMPERATIVES	Reliable, Firm & Fair	Supporting our Members	Innovative, Unlocking Value for Members	Open & Transparent	Universal Public Commitment to Call Before You Dig

MEMBER FOCUS & VALUE

- Implementation of new web ticket platform
- Improved mapping tools to reduce over-notification
- Improved service levels
- Reducing abuse of emergency locates
- Reductions in fees paid by members

OPENNESS & TRANSPARENCY

- MOU established with Ministry of Government and Consumer Services
- Increased disclosure on performance metrics and complaints
- New compliance policies established

GOVERNANCE & ACCOUNTABILITY

- Delivering on education mandate, including multi-platform public advertising campaign
- Province-wide member and excavator education delivered in person and through web technology

CORPORATE SCORECARD METRICS

The corporate scorecard measures progress towards ON1Call's goals. It is different from the employee scorecard as it will measure the multi-year progress that members, excavators and ON1Call make towards a better locate system.

TOPIC	METRIC	WEIGHTING	2017	80%	100%	120%	SCORE
Reducing Damages	2016 Damages/1,000 Notifications (ORCGA)	25%	0.68	0.88	0.68	0.48	
Timely Locate Delivery	% of Major Station Codes with "A" Level Delivery	25%	75%	70%	75%	80%	
Providing Quality Service	Service Levels (% Calls Answered within 20 seconds)	10%	92%	80%	90%	100%	
Providing Quality Service	Turnaround of Suspended Web Tickets	10%	95%	85% in 24 hrs	90% in 24 hrs	>95% in 24 hrs	
Providing Quality Service	Quality Metric for Agent Performance - % of agent scores > 90% (standard calls) or 100% (emergency) on QA evaluations	5%	85%	80%	85%	90%	
Public Awareness	Public Awareness of ON1Call - Unaided	12.5%	10%	10%	12%	14%	
Public Awareness	Public Awareness of ON1Call - Aided	12.5%	34%	34%	36%	38%	

The Corporate Scorecard uses the following metrics to evaluate timely locate delivery on a monthly basis

	"A"	"B"	"C"	"D"
0-5 DAYS	90%	80%	70%	60%
6-10 DAYS	<10%	<20%	<25%	<30%
11-15 DAYS	0%	0%	5%	10%
>15 DAYS	0%	0%	0%	0%
	EXCELLENT	GOOD	MARGINAL	POOR



2018 BUSINESS PLAN PRIORITIES

Based on the updated strategic plan, the following priorities for ON1Call staff were set for 2018:

MEMBER FOCUS & VALUE

1. Implementation of MSN
2. Moving more excavators to web entry
3. Develop private property/single-address ticket for 2019
4. Cost management & cost containment
5. Improvements to the mapping and online tools
6. Continuing work on emergency locate abuse

GOVERNANCE & ACCOUNTABILITY

7. Improving Board governance
8. Enhancing Board and committee participation
9. Operations Committee & staff connection with members

OPENNESS & TRANSPARENCY

10. Greater statistical information for members
11. Implementation of organization-wide scorecard
12. Better financial projections for members in Q2 and Q3. Five-year projection of ON1Call revenues and expenses

OTHER 2017 BUSINESS ACTIVITIES

Information Technology

The security, reliability and performance of our information technology platform is a vital consideration for our members. Ontario One Call maintains a standby support contract to ensure that services are always available even outside of standard business hours. It is our policy to continually review and adopt newly identified security best practices to ensure the continued reliability and security of our systems. Throughout 2018 Ontario One Call will be upgrading its core infrastructure in Guelph resulting in an average increase in computing resources of 150%. In addition, some existing infrastructure will be relocated to Sudbury to strengthen disaster recovery and redundancy points.

Disaster Recovery & Backup

Ontario One Call's data systems are contained in our in-house Data Centre. Our data is also backed up every 5 Mb or 5 minutes (whichever comes first) at our system platform provider's main office (TelDig in Quebec City). We do not utilize cloud technologies.

Our offices in Guelph and Sudbury are supported by natural gas backup generators which can provide immediate backup power in the case of an electricity failure.

Financial

The Board of Directors has approved the maintenance of a \$4 million reserve (\$2 million for operating variances and \$2 million for future capital projects). In December 2017, the membership voted to replace the previous per notification billing model with an assessment-based model. This means that the cost of running the organization will be evaluated annually and divided among the membership based on their usage of the system. Members will have to review and approve any increase in the overall amount required to operate the system.

Marketing

One of the objects of Ontario One Call, as defined in our legislation, is the mandate to promote awareness of the need to Call Before You Dig. In 2016, we started our public awareness efforts, focusing on television, social media and online advertising. There are also in-store partnerships with companies such as Home Depot. A metric measuring the success of these public education efforts is included in the corporate scorecard.

OTHER 2017 BUSINESS ACTIVITIES

Member & Excavator Training

Approximately 500 members and excavators took advantage of Ontario One Call's annual spring webinars. Topics included: Safe use of Alternate Locate Agreements (ALAs), Ontario One Call A-Z, ticket troubleshooting and a web ticket entry refresher. A particular emphasis was placed on training for the transition to Map Selection Notification in December 2017.

Training was provided to excavators and members on the new tools in July 2017. This was the first time Ontario One Call had completed a pre-recorded session that could be played by any staff member.

During 2017, Ontario One Call continued to support ALAs through reporting and referrals, as well as identifying and eliminating behaviors like locate dumping. All members and excavators were provided with comprehensive training on Map Selection Notification and its accompanying changes. Prior feedback allowed us to develop a quick five minute video on what changes were going to occur as well as a detailed version that was 90 minutes long.

Human Resources

2017 was a year of significant progress and change in Human Resources. In April 2017, the Sudbury contact centre was opened, ensuring a more stable and bilingual workforce to answer excavator requests. A number of changes to our recruitment and training processes were implemented in 2017 to ensure appropriate peak season staffing levels were met. Additionally, Ontario One Call saw further growth in our Corporate Services, specifically in the Member and Client Services and Compliance departments.

Human Resources has been focusing on initiatives aimed at increasing employee engagement, soliciting employee feedback and enhancing recognition, all over which resulted in increased employee retention.

Preparations for Bill 148 resulted in changes to a number of policies regarding wages, leaves of absence (paid and unpaid), and scheduling and shift changes. Moving into 2018, Ontario One Call is well-positioned to meet these new legislative requirements.

INDEPENDENT AUDITOR'S REPORT



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To the Members of Ontario One Call

I have audited the accompanying financial statements of Ontario One Call, which comprises the statements of financial position as at December 31, 2017 and the statements of revenue and expenses, changes in net assets and cash flows for the year ended December 31, 2017, 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 audit. I conducted my audit 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 audit is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

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, 2017 and the results of its operations and its cash flows for the year ended December 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, ON
April 19, 2018



Chartered Accountant Professional Corporation

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

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL Statement of Financial Position December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 3,251,321	\$ 4,050,945
Term deposits (Note 3)	1,001,500	1,001,500
Accounts receivable (Note 4)	908,226	959,079
Prepaid expenses	149,377	164,650
	<u>5,310,424</u>	<u>6,176,174</u>
PROPERTY AND EQUIPMENT (Note 5)	2,103,168	1,362,258
	<u>\$ 7,413,592</u>	<u>\$ 7,538,432</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 263,837	\$ 392,213
Harmonized sales tax payable	11,720	4,606
	<u>275,547</u>	<u>396,819</u>
NET ASSETS	<u>7,138,045</u>	<u>7,141,613</u>
	<u>\$ 7,413,592</u>	<u>\$ 7,538,432</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL Statement of Revenue and Expenses Year Ended December 31, 2017

	2017	2016
REVENUE	\$ 8,449,133	\$ 8,395,094
EXPENSES		
Salaries, wages, and fees	\$ 4,536,024	\$ 2,977,813
Mapping expenses	928,119	613,254
Advertising and promotion	861,156	581,500
Rent and utilities	519,868	347,280
Amortization	354,264	329,248
IT maintenance and support	346,543	284,821
Telecommunications	184,921	218,688
Office & general expenses	136,258	109,237
Professional fees	111,921	220,939
Employees' travel and other expenses	106,420	82,830
Consultants	61,445	4,165
Insurance	35,742	32,105
Sponsorships	30,033	21,730
Shows and conferences	21,005	28,706
Bad debt expense	1,707	1,716
Interest and bank charges	(3,585)	(1,189)
	8,231,841	5,852,843
EXCESS OF REVENUE OVER EXPENSES BEFORE NOTIFICATION AND MEMBER REBATES	217,292	2,542,251
Notification and member rebates	220,860	\$243,754
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (3,568)	\$ 2,298,497

See notes to financial statements

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL
Statement of Changes in Net Assets
Year Ended December 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 7,141,613	\$ 4,843,116
Excess (Deficiency) of revenue over expenses	<u>(3,568)</u>	<u>2,298,497</u>
NET ASSETS - END OF YEAR	\$ 7,138,045	\$ 7,141,613

See notes to financial statements

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL
Statement of Cash Flows
Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenses	\$ (3,568)	\$ 2,298,497
Item not affecting cash:		
Amortization property and equipment	354,264	329,248
	<u>350,696</u>	<u>2,627,745</u>
Changes in non-cash working capital:		
Accounts receivable	50,853	(639,302)
Accounts payable and accrued liabilities	(128,386)	(1,040,273)
Prepaid expenses	15,273	(108,995)
Harmonized sales tax payable	7,114	243,489
	<u>(55,146)</u>	<u>(1,545,081)</u>
Cash flow provided by operating activities	<u>295,550</u>	<u>1,082,664</u>
INVESTING ACTIVITY		
Additions to property and equipment	<u>(1,095,174)</u>	<u>(242,990)</u>
INCREASE (DECREASE) IN CASH FLOW	(799,624)	839,674
Cash - beginning of year	<u>4,050,945</u>	<u>3,211,271</u>
CASH - END OF YEAR	\$ 3,251,321	\$ 4,050,945

See notes to financial statements

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL
Notes to Financial Statements
Year Ended December 31, 2017

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 purpose of the Corporation is to operate contact centres 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 and 5 years	straight-line method
Computer Equipment	3 and 5 years	straight-line method
Furniture and equipment	3 and 10 years	straight-line method
Leasehold improvements	10 years	straight-line method

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL Notes to Financial Statements Year Ended December 31, 2017

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

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.

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.

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL Notes to Financial Statements Year Ended December 31, 2017

3. TERM DEPOSITS

	<u>2017</u>	<u>2016</u>
Guaranteed Investment certificate bearing interest at 0.5% maturing September 9, 2018	\$ 1,001,500	\$ 1,001,500

4. ACCOUNTS RECEIVABLE

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 909,275	\$ 961,603
Less: Allowance for doubtful accounts	(1,049)	(2,524)
	<u>\$ 908,226</u>	<u>\$ 959,079</u>

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	<u>2017 Net book value</u>	<u>2016 Net book value</u>
Computer Software	\$ 779,831	\$ 429,697	\$ 350,134	\$ 199,083
Computer Equipment	502,984	280,679	222,305	194,355
Furniture and equipment	409,445	86,725	322,720	236,560
Leasehold improvements	1,448,992	240,983	1,208,009	732,260
	<u>\$ 3,141,252</u>	<u>\$ 1,038,084</u>	<u>\$ 2,103,168</u>	<u>\$ 1,362,258</u>

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL Notes to Financial Statements Year Ended December 31, 2017

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2017</u>	<u>2016</u>
Accounts payable and accrued liabilities	\$ 131,446	\$ 215,220
Member Rebates - Credits in Accounts Receivable	132,381	176,993
	<u>\$ 263,827</u>	<u>\$ 392,213</u>

7. RELATED PARTIES

	<u>2017</u>	<u>2016</u>
<i>Director-member</i>		
Fee revenue	\$ 1,138,529	\$ 1,076,920
Accounts receivable	\$ 122,448	\$ 137,181
<i>Director-member</i>		
Fee revenue	\$ 831,819	\$ 737,039
Accounts receivable	\$ 90,005	\$ 40,087
<i>Director-member</i>		
Fee revenue	\$ 633,055	\$ 640,873
Accounts receivable	\$ 136,181	\$ 227,635
<i>Director-member</i>		
Fee revenue	\$ 459,536	\$ 474,039
Accounts receivable	\$ 19,426	\$ 53,783

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 36% of the total fee revenue generated by the Corporation in 2017 (2016 - 35%).

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL Notes to Financial Statements Year Ended December 31, 2017

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.

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.

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 and high interest savings accounts.

INDEPENDENT AUDITOR'S REPORT

ONTARIO ONE CALL Notes to Financial Statements Year Ended December 31, 2017

9. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

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 2017.

10. CONTINGENT LIABILITY

On September 28, 2017, an excavating company, as Plaintiff, filed a Statement of Claim against Ontario One Call. It is alleged that the Plaintiff contacted Ontario One Call to provide locate information for underground utilities at the premises of one of its clients. During excavation by the Plaintiff, an underground fibre optic cable was severed causing damage to the property. The Plaintiff alleges that as a result of the negligence, breach of contract, duty and/or statutory duty by Ontario One Call, emergency services, building repairs and remediation efforts were required to its client's facilities. The claim for damages is \$100,000 plus pre and post judgement interest and court fees. Ontario One Call has filed a Statement of Defence.

In management's opinion the claim is without merit and the possible outcome is not determinable.

11. LEASE COMMITMENTS

The Corporation leases premises under three long term leases expiring March 31, 2018, June 30, 2025 and December 31, 2026. Future minimum lease payments exclusive of harmonized sales tax and operating charges at year end are as follows:

2018	\$ 307,556
2019	297,080
2020	297,080
2021	297,080
2022	310,445
Thereafter	<u>985,450</u>
	<u>\$ 2,494,691</u>