



[www.on1call.com](http://www.on1call.com)  
1-800-400-2255  
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# Annual Report 2013



## **2013 Ontario One Call Board of Directors**

**Jamie Milner, Chair** - Enbridge Gas Distribution; Gas/Oil/ Pipeline Sector (Large)

**Bruce Furlong, Vice-Chair** - Bell Canada; Telecommunications and Cable Sector (Large)

**Nick Petruzzella, Treasurer** - Six Nations Gas; Gas/Oil/Pipeline Sector (Small)

**Mario Crognale** - City of Toronto; Municipal Sector (Large)

**Dan MacKinnon** - City of Hamilton; Municipal Sector (Medium)

**Corrine Gabrielle** - Township of Kingsville; Municipal Sector (Small)

**Len McMillan** - Hydro One; Electrical Sector (Large)

**Shelly Cunningham** – Powerstream; Electrical Sector (Medium)

**J.J. Davis** - Kruger Energy; Electrical Sector – (Small)

**Mike Shannon** - Union Gas Ltd; Gas/Oil/ Pipeline Sector (Medium)

**Tony Faccia** - Rogers Communications - Telecommunications and Cable Sector (Medium)

**Bill McLean** - Metro Fibrewerx – Telecommunications and Cable Sector (Small)

## **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 & 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

## Chair's Report

May 6, 2014

It is a pleasure to write this letter at such a remarkable point in Ontario One Call's development.

The last year has been another period of growth and development for the organization. June 2013 represented the deadline for the first cohort of members to join the mandatory One Call system established by the *Ontario Underground Infrastructure Notification System Act*. Our membership is on track to surpass over 600 members by the end of 2014 as hundreds of utilities, telecommunications companies and other infrastructure owners join the system. We are delighted to welcome them to ON1Call and our vision of an Ontario with no damages to underground infrastructure.

Another key activity over the past year has been outreach and consultation with our stakeholders. With the continued involvement of the Ministry of Consumer Services, we have jointly met with dozens of current and future members, as well as excavators and other system users. The feedback we received was central in developing the regulation which, I am happy to report, was approved by the government in March 2014. We have also signed both a Memorandum of Understanding and a Letter of Understanding with the Ministry which provides clear direction on our governance responsibilities going forward.

The Board of Directors continues its important work to evolve the organization into an open, member-focused organization. In recent years the organization has changed from being a for-profit entity to a not-for-profit corporation with a more representative group of stakeholders on the Board. The current Board also approved new by-laws in 2013 that will further expand the Board to include excavator representatives and a representative from institutional owners of buried plant. This continued evolution demonstrates our commitment to representing the interests of our members and system users.

None these accomplishments would be possible without the incredible commitment of our Board and our ON1Call staff in Guelph and Timmins. As this is my last year on the Board, I want to extend a special thanks to them, and to all those who helped make the vision of a mandatory One Call system a reality. Ontario will be a safer place because of all that we have accomplished together.

Sincerely,



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Jamie Miner  
Board Chair, Ontario One Call

## Executive Director's Report

May 6, 2014

I am very happy to report on another year of progress at Ontario One Call.

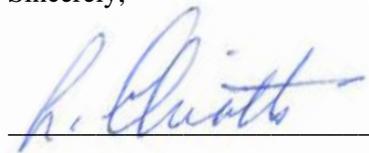
Much of the organization's focus has been the on-boarding of new members. Membership has grown from 170 members in 2012 to over 340 by the end of 2013; and is expected to be over 600 by the end of 2014. The cooperation and enthusiasm of these new members has made it a smooth process, and we are grateful for the ongoing cooperation.

Another priority this year was participating in two Ministry of Consumer Services-led stakeholder consultation periods. This comprehensive process was very influential in shaping the organization's new by-laws as well as the regulation passed by the government in March 2014. The ongoing support of the Ministry has been crucial in helping align our organization with our new accountabilities under the Act. We are very grateful for their support.

In 2012 we relocated to a new office in Guelph and added a new office in Timmins. This has allowed us to increase our focus on member relations in 2013, and we will continue to build on that work going forward.

It is hard to imagine a year as busy as 2013, but as we approach the deadline for municipal members to join in June 2014 I think I might be proven wrong. Thankfully, I can rely on the remarkably skilled and committed staff at ON1Call to ensure that the needs of our new members are met.

Sincerely,



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Lloyd Chiotti  
Executive Director, Ontario One Call

## 2013 Highlights

- On-boarded **over 150 new members**
- Handled over **833,000 excavator requests**, resulting in over 4.7 million notifications to our members
- Increased our staffing for member engagement. Also established social media sites to **increase communication with members and stakeholders**
- Opened a new office in Timmins
- The **Contractor Bridge** was completed and successfully used by the excavating community. Significant progress made towards the launch of a web portal in 2014
- Presented before numerous audiences, including AMO, ROMA/OGRA, the Ontario Regional Common Ground Alliance and other One Call organizations across Canada
- Completed two stakeholder consultations in conjunction with the Ministry of Consumer Services
- Contributed to the **passage of Ontario Regulation 92/14** (established March 2014), which provides the basis for establishing a compliance function. It also ratifies a number of changes relating to the provision of emergency locates and the requirements on members to report the completion of locates

## Treasurer's Report

May 6, 2014

With the first cohort of new members joining the mandatory One Call system in 2013, there were significant changes to ON1Call's finances. With membership growing at a rapid rate, outbound notifications rose by 35.6% to over 4.7 million notifications. This correlates with the total revenues earned in FY 2013 reaching \$6.6 million, an increase of 31.1% from 2012.

In 2013, total expenses grew from \$4.7 million in 2012 to \$5.2 million. This was due primarily to the recruitment of new staff for Ontario One Call to allow it to meet its new legislated mandate. There were also notable increases in mapping expenses (increased by \$101,866) and professional fees (increased by \$57,510) relating to the addition of new members and the increased legal services required for the development of new by-laws and policies.

In 2013 there was an excess of revenues over expenses of \$1.4 million. This is up from \$370,207 in 2012.

The outlook for 2014 is very positive with the second cohort of mandatory members joining the system. Both locate requests and notifications per locate are projected to increase significantly. It is expected that we will maintain a surplus position for the fiscal year, which will give the organization the flexibility it needs to respond to its growing mandate going forward.

Sincerely,



Nick Petruzzella

Treasurer, Ontario One Call

**ONTARIO ONE CALL**

**Financial Statements**

**December 31, 2013**

**ONTARIO ONE CALL**  
**Index to Financial Statements**  
**Year Ended December 31, 2013**

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## 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, 2013 and December 31, 2012 and the statements of revenue and expenses, changes in net assets and cash flows for the years ended December 31, 2013 and December 31, 2012, 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, 2013 and December 31, 2012 and the results of its operations and its cash flows for the years ended December 31, 2013 and December 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.



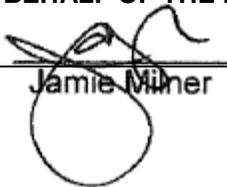
Toronto, ON  
May 5, 2014

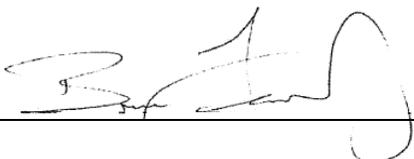
Chartered Accountant Professional Corporation  
Authorized to practise public accounting by  
The Institute of Chartered Accountants of Ontario

**ONTARIO ONE CALL**  
**Statement of Financial Position**  
**December 31, 2013**

	<i>December 31</i> <b>2013</b>	<i>December 31</i> <b>2012</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,011,917	\$ 542,351
Term deposit (Note 3)	1,000,000	-
Accounts receivable (Note 4)	738,228	769,161
Harmonized sales tax recoverable	-	2,236
Prepaid expenses	57,496	59,900
	<b>2,807,641</b>	<b>1,373,648</b>
PROPERTY AND EQUIPMENT (Note 5)	<b>303,411</b>	<b>150,500</b>
	<b>\$ 3,111,052</b>	<b>\$ 1,524,148</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 847,706	\$ 476,529
Harmonized sales tax payable	15,844	-
	<b>863,550</b>	<b>476,529</b>
NET ASSETS		
Net assets	<b>2,247,502</b>	<b>1,047,619</b>
	<b>\$ 3,111,052</b>	<b>\$ 1,524,148</b>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
 Jamie Miner

  
 \_\_\_\_\_ Director

**ONTARIO ONE CALL**  
**Statement of Revenue and Expenses**  
**Year Ended December 31, 2013**

	2013	2012
<b>REVENUE</b>	<b>\$ 6,602,859</b>	<b>\$ 5,035,008</b>
<b>EXPENSES</b>		
Call centre management fees	3,803,800	3,882,983
Salaries and wages	451,682	140,718
Mapping expenses	325,676	223,810
Professional fees	231,738	174,228
Consulting fees	122,250	-
Advertising	92,619	81,901
Employees travel and expenses	82,873	44,460
Other operating expenses	78,528	75,411
Rent	58,213	-
Sponsorships	27,550	25,500
Amortization	26,455	-
Office expenses	25,507	7,038
Bad debt expense (recovery)	25,159	(44,831)
Insurance	23,477	22,883
Shows and conferences	16,284	17,284
Website	11,788	11,300
Interest and bank charges	(623)	2,116
	<b>5,402,976</b>	<b>4,664,801</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 1,199,883</b>	<b>\$ 370,207</b>

See notes to financial statements

**ONTARIO ONE CALL**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 1,047,619</b>	<b>\$ 677,412</b>
Excess of revenue over expenses	<u>1,199,883</u>	<u>370,207</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 2,247,502</u></b>	<b><u>\$ 1,047,619</u></b>

**ONTARIO ONE CALL**  
**Statement of Cash Flows**  
**Year Ended December 31, 2013**

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 1,199,883	\$ 370,207
Item not affecting cash:		
Amortization of property and equipment	26,455	-
	<u>1,226,338</u>	<u>370,207</u>
Changes in non-cash working capital:		
Accounts receivable	30,933	(52,931)
Accounts payable and accrued liabilities	371,177	(590,922)
Income taxes recoverable	-	44,168
Prepaid expenses	2,404	(43,573)
HST payable	18,080	26,652
	<u>422,594</u>	<u>(616,606)</u>
Cash flow provided by (used in) operating activities	<u>1,648,932</u>	<u>(246,399)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to property and equipment	(179,366)	(150,500)
Term deposit	(1,000,000)	905,371
	<u>(1,179,366)</u>	<u>754,871</u>
Cash flow provided by (used in) investing activities	<u>(1,179,366)</u>	<u>754,871</u>
<b>INCREASE IN CASH FLOW</b>	<b>469,566</b>	<b>508,472</b>
Cash - beginning of year	<u>542,351</u>	<u>33,879</u>
<b>CASH - END OF YEAR</b>	<b>\$ 1,011,917</b>	<b>\$ 542,351</b>

See notes to financial statements

**ONTARIO ONE CALL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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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 was originally incorporated on February 22, 1996 under the Business Corporations Act (Ontario). The objects of the Corporation are to operate a call centre to receive inquiries from persons about to conduct excavating activities and to inform them of underground infrastructure in the area to be excavated; to promote damage prevention of underground infrastructure; to promote safe excavation practice; and to raise awareness in the excavation community.

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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)

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**ONTARIO ONE CALL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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 DEPOSIT

Term deposit consists of the following:

	<u>2013</u>	<u>2012</u>
Guaranteed Investment certificate bearing interest at 0.95% maturing September 9, 2014	<b>\$ 1,000,000</b>	\$ -

4. ACCOUNTS RECEIVABLE

	<u>2013</u>	<u>2012</u>
Accounts receivable	<b>\$ 773,228</b>	\$ 779,161
Less: Allowance for doubtful accounts	<b>(35,000)</b>	(10,000)
	<b>\$ 738,228</b>	\$ 769,161

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	<b>2013 Net book value</b>	2012 Net book value
Computer software	\$ 250,500	\$ -	<b>\$ 250,500</b>	\$ 150,500
Computer equipment	62,117	20,706	<b>41,411</b>	-
Furniture and equipment	17,249	5,749	<b>11,500</b>	-
	<b>\$ 329,866</b>	<b>\$ 26,455</b>	<b>\$ 303,411</b>	<b>\$ 150,500</b>

Computer software additions have not been amortized for 2012 and 2013 as the asset is still in development.

**ONTARIO ONE CALL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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6. SERVICE AGREEMENT

Ontario One Call has entered into an agreement with an unrelated Corporation for operation of its call centre.

Under the terms of the agreement which expires December 31, 2015, the operator is guaranteed an annual profit based upon an agreed upon formula. Each month the Corporation pays the operator a minimum amount based upon the operator's budgeted profit for its fiscal year. Subsequent to the operator's March 31st year end, the difference between the estimated and actual amount due to the operator is paid or recovered by the Corporation. Currently the Corporation is paying \$280,702 per month.

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7. RELATED PARTIES

	<u>2013</u>	<u>2012</u>
<i>Management-member</i>		
Fee revenue	\$ 1,304,329	\$ 1,244,508
<i>Balance at year-end</i>		
Accounts Receivable	\$ 154,406	\$ 151,540
 <i>Management-member</i>		
Fee revenue	\$ 960,189	\$ 867,542
<i>Balance at year-end</i>		
Accounts Receivable	\$ 46,697	\$ 123,630
 <i>Management-member</i>		
Fee revenue	\$ 642,556	\$ 606,171
<i>Balance at year-end</i>		
Accounts Receivable	\$ 25,868	\$ 80,359
 <i>Management-member</i>		
Fee revenue	\$ 852,193	\$ -
<i>Balance at year-end</i>		
Accounts Receivable	\$ 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 57% of the total fee revenue generated by the Corporation during the current year with one of these members generating 20% of total revenue. The Corporation is economically dependent on these four major customers/members.

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8. CONTRIBUTED SERVICES

Some management and administrative functions have been performed by employees of certain corporate members at no charge. Because of the difficulty in determining the fair value of these services they are not recognized in the financial statements.

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**ONTARIO ONE CALL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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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 2012

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10. 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.

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**ONTARIO ONE CALL**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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11. 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:

2014	\$	51,034
2015		51,034
2016		49,520
2017		41,950
2018		10,476
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	\$	204,014

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