



Utility Notification Center  
of Colorado

# 2022

ANNUAL REPORT





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# Chairman and Executive Director Message

2022

Since the last annual meeting in September 2022, Colorado 811 (Utility Notification Center of Colorado), continued to thrive and provide service to Colorado, adopting a hybrid working environment as many organizations returned to the office and adapted to the 'new' normal. Colorado 811 staff continued to focus on the need to meet our member and customer use of current technology in this ever evolving digital age and virtual environment. To meet this need, Colorado 811 has deployed a new phone system improving efficiency and resulted in reducing caller hold time. A new Customer Data Management System is currently being implemented, that moves the member and customer record system to a paperless environment, also improving efficiency and accuracy of data. Colorado 811 has continued it's partnership with Norfield Technology to further advance the technology and resources offered to our members and customers, with improved web and app-based services for locate ticket management.

All this hard work performed by Colorado 811 was with the assistance and guidance of the Interim Executive Director, Barry Miller, while the organization launched the search for a new and permanent Executive Director. The Board of Directors of Colorado 811 took a careful and specific four-month approach in the search for a new Executive Director, resulting in an amazing fit to the future with Claudia Randall. In the few short months Mrs. Randall has been leading the organization, she has already implemented resources and approaches to continue Colorado 811 success and goal accomplishment.



*Diedre Gregg-Donovan*

Diedre Gregg-Donovan, Vice Chairman

I am delighted to have joined Colorado 811 as the new Executive Director in May 2023. I am excited to be here, and I am keen to get out to meet as many of you as I can, to see for myself what your challenges are and how we can assist with meeting them. I would like to thank the Board of Directors and the staff of Colorado 811 for all their hard work in the past few months and throughout the year of 2022—and for their exceptionally warm welcome and dedication to the organization.

The Colorado 811 team and Board of Directors are working incredibly hard, and everyone is focused on providing outstanding service to our members and stakeholders, which is not always easy, and I appreciate their commitment. An area of focus from our day-to-day work is to improve our quality, reduce our response times, and streamline our operations. I am confident that with your continued support, we can deliver our plans systematically and sensibly to address issues you may face and projects that we may need to tackle internally throughout the year. I am looking forward to learning more about Colorado's damage prevention community, our many Colorado members and stakeholders, and explore your ideas about improvement options that will continue to help drive our Colorado 811 mission, vision, and goals forward.

## Colorado 811 Mission Statement

We are the link, promoting public safety & education for the protection of Colorado's underground infrastructure by providing reliable, timely, and accurate communication to stakeholders.

## Colorado 811 Vision Statement

No Excavation without Notification

## Our Goal

Be the best 811 Contact Center in the nation.



Sincerely,

*Claudia Randall*

Claudia Randall, Executive Director





# Current C0811 Board of Director Members & Executives

## About Colorado 811—Utility Notification Center of Colorado

The Utility Notification Center of Colorado (UNCC), also known as Colorado 811, is a 501(c)4 nonprofit established in 1986 to serve as the communications link company that manages all locate requests and communications between utility owners, excavators, the public, and other stakeholders to protect Colorado's underground facilities from damages related to excavation.

Colorado 811 does not mark or perform any locating services, does not direct, or supervise locating services or utility activities, and does not enforce compliance with Colorado laws or statutes. Colorado 811 is the communications link notification association that manages communications between utilities and anyone requesting that an area is located/marked to identify the location of public underground utilities.

## Get to know our current Colorado 811 Board of Directors & Executive



**Claudia Randall**  
*Executive Director*



**Diedre Gregg-Donovan**  
*Electric Cooperative,  
Vice Chairman, United Power*



**Esther Williams**  
*Electric Distribution,  
Treasurer, Xcel Energy*



**Matt Norton**  
*Board Secretary,  
Williams Companies*



**Anthony Thomas**  
*Water/Sewer,  
Denver Water*



**Matt Steadman**  
*Cable Television,  
Comcast*



**B.J. Hartley**  
*Gas Distribution,  
Black Hills Energy*



**Nolan Snyder**  
*Communications, Lumen*



**Sean Frech**  
*Special Director,  
Colorado Springs Utilities*



**Jonathan Moore**  
*Government,  
Fountain Sanitation District*





# Damage Prevention Liaisons

**Colorado 811's Damage Prevention Liaison's (DPL)** department is proud to provide education and training across the State of Colorado to a variety of stakeholders. We serve contractors, excavators, utility owners, homeowners, and the public alike. Our **field liaisons** also educate on safe digging practices, legal requirements, and promote awareness of potential underground risk factors, and more. Our **Damage Prevention Liaisons** strive to educate professionals and the public to ensure that excavation activities comply with relevant laws, regulations, and safety standards across the State of Colorado. Specialists work with regulatory agencies, safety commission and industry partners, and many other entities to help enforce compliance and mitigate potential violations.

This department strives to build strong relationships with utility companies, contractors, locators, regulatory bodies, the public, other associations, and community organizations to promote a collective approach to damage prevention. We frequently partner with a variety of utility owners to provide training on their behalf and educate a wide variety of stakeholders in the communities we serve. In 2022, leading into 2023, the Colorado 811 DPL department has provided over 450 training sessions, both in-person and digitally.

The department also engages in public outreach campaigns and participates in a variety of community events across Colorado to raise awareness about safe digging practices, legal obligations of stakeholders, and the importance of reporting damages promptly.

The UNCC Damage Prevention Department (DPL) plays a vital role in safeguarding Colorado's underground utilities, promoting safety, facilitating clear and prompt communication, and minimizing disruptions to essential services through education, collaboration, and initiative-taking community outreach.



## 2023 Sneak Peek

Some of the DPLs 2023 focus puts the spotlight on how to clear up common misconceptions. We created a series of educational videos outlining the difference between public and private utilities and are working with other business units to update our webpages to provide a better user experience.



# Get to know the C0811 Damage Prevention Liaison Team

**Todd Griffeth** – Damage Prevention Liaison Strategist – Southeast Colorado – **7 Years**

**Sanatam Khalsa** – Damage Prevention Liaison – Northwest Colorado – **7 Years**

**Neeley Duran** – Damage Prevention Liaison – Denver Metro – **5 Years**

**David Waller** – Damage Prevention Liaison – Southwest Colorado – **3 Years**

**Jason Petrilli** – Damage Prevention Liaison – Northeast Colorado – **1 Year**





# C0811 Contact Center

## Do you ever wonder who is on the other end of the phone line when you are calling Colorado 811?

The Colorado 811 Contact Center proudly manages more than **a million notification transmissions per year**. Our agents core responsibility focuses on receiving locate requests and creating and transmitting locate transmissions to utilities. Our Damage Prevention Agents (DPAs) either process these requests via an ACD channel directly with customers over the phone, or via our web-based ticket entry platforms.

In addition, DPA's lead the Quality Management process for all locate tickets created, ensuring that they are as complete and accurate as possible.

### Our Damage Prevention Department includes:

- Team of front-line Damage Prevention Agents
- Damage Prevention Specialists
- Online Service Specialists
- Emergency and Damage Specialists
- Quality Assurance Coordinators
- Contact Center Leadership Team

## Meet our Contact Center Department:

### Damage Prevention Agents (DPAs)

Phoenix Ragland ..... 27 Years  
Nancy Pemberton ..... 23 Years  
Mark Vandegrift ..... 18 Years  
Diana Martinez ..... 11 Years  
Chandra Love ..... 8 Years  
Lencho Silvas ..... 8 Years  
Marilyn Armel ..... 7 Years  
Mary Patton ..... 7 Years  
Robbin Zoupas ..... 5 Years

Heidi DeMoss ..... 4 Years  
Lillian Alban ..... 3 Years  
Daniel Egan ..... 3 Years  
Karen Hendricks ..... 3 Years  
Zahari Herbert ..... 3 Years  
Amanda Brown ..... 2 Years  
Kathryn Calip ..... 2 Years  
Nathan Robinson ..... 1 Year  
Robert Burroughs ..... 1 Year

Kristiaan Castillo ..... 1st Year  
Mary Claire Dalla ..... 1st Year  
Ashley Gonzalez ..... 1st Year  
Jocelyn Gutierrez ..... 1st Year  
Kevin Hager ..... 1st Year  
Pamela Heyman ..... 1st Year  
Varonica Lucas ..... 1st Year  
Lauren Riley ..... 1st Year  
Daryl Robb ..... 1st Year







# Meet our Contact Center Department *(Continued)*

## Damage Prevention Specialists

**Damage Prevention Specialists (DPS)** manage the more complex tasks and escalated situations in addition to assisting with the day-to-day needs of our DPAs.

**Lisa Greenley** ..... 24 Years

**Ronelle Blatnik** ..... 23 Years

**Christopher Eason**..... 9 Years

**Drew Behringer** ..... 8 Years

## Online Services Specialists

**Online Services Specialists** focus primarily on training, support, and quality monitoring for transmissions/tickets created via our web-based platforms. Additionally, they support the Contact Center needs as a resource in times of high transmission volume.

**Mahlon Knight** – Online Services Specialist..... 20 Years

**Holly Ingram** – Online Services Specialist..... 11 Years

## Emergency and Damage Specialist

**Emergency and Damage Specialists** work to support and review transmissions/tickets of the highest priority. They are urgent action-oriented team members who provide communication and reporting to help ensure the safety of the communities we serve.

**Tina Sparks** – Emergency/Damage Specialist..... 6 Years

## Quality Assurance Coordinator

The **Quality Assurance Coordinator's** primary responsibility is to continually develop and implement our Quality Assurance Program which is dedicated to accuracy, coaching and guidance for all participating parties in the transmission/ticketing processes.

**Jessica Behm** – Quality Assurance Coordinator ..... 14 Years

## Contact Center Leadership

UNCC's Contact Center department leadership guides the operations and the team members day-to-day activities. We foster a positive work culture, ensuring prompt results, and providing support for all Contact Center positions. Additionally, this team focuses on creating and improving transmission processes, monitors, and recommends software enhancements and changes, builds, and delivers educational materials and training sessions, and coordinates and schedules all team members shifts within our 24/7 Contact Center.

**Dominic DiCarlantonio**,  
Director of Contact Center Operations ..... 1 Year

**Rose Martinez**  
Contact Center Supervisor – Education Coordinator ..... 15 Years

**Nicole Hansen**  
Contact Center Supervisor – Process Coordinator ..... 4 Years

**Phillip Steele**  
Contact Center Supervisor – Schedule Coordinator ..... 2 Years



# Colorado 811 Operations Staff

**If you are not speaking with one of Colorado 811's dedicated Damage Prevention Agents or Damage Prevention Liaisons, you may have connected with one of our experienced Member Relations team members.**

Member Relations team members manage all of Colorado 811's member needs, including membership onboarding activities for underground facility owner/operators, interested excavation companies, and other stakeholders. These veteran team members maintain membership information for over 2,300 members, offer educational resources, address complex customer service issues, educate members about Colorado statutes and laws, clarify UNCC policies, lead procedure and ticket system modification efforts, and manage a variety of other procedural responsibilities.

Our Member Relations team also obtains and maintains street mapping information used for ticket processing for all 64 counties in Colorado. We strive to provide our members with high-quality support to help them stay in compliance with Colorado Revised Statutes such as 2022; Title 9 Safety–Industrial and Commercial, Buildings and Equipment, Article 1.5 Excavation Requirements, also referred to as the Colorado “One Call” law and assist them with all other UNCC membership related inquiries and solutions.

**2022 Highlights of member service projects include:** Member Relations served 2,308 owner/operator members and 20 excavator members during the year of 2022. Our focus areas were education and outreach to improve member engagement. Enhanced outreach and education to our membership was performed specifically about Positive Response Re-Notifications; the requirement of providing supporting documentation, such as maps, photos, and sketches of the underground facilities within an excavation area to the excavator through CO811.

In July of 2022, we communicated to over 200 companies using a CO811 maintained and supported ticket management system, WebTMS (Web Ticket Management System), of the software reaching its end of life/end of support and the retirement of the software in October 2023. Alternative ticket management system vendors were offered to the existing users of WebTMS to provide ample time to demo, budget, purchase and migrate prior to the end of support.

Member Relations continues to participate in industry related events and committees, such as 811 centers across the nation, to align efforts, procedures, and increase industry knowledge.

## Get to know our CO811 Member Relations Team

**Carla Sanchez** – Director of Member Relations..... **19 years**

**Carlie White** – Member Relations Manager ..... **8 Years**

**Ericka Silvas** – Member Relations Specialist..... **24 Years**

**Melany Wellensiek** – Member Relations Specialist..... **20 Years**

**Melissa McCafferty** – Member Relations Specialist .... **4 Years**

**Jodie Miller** – Member Relations Specialist ..... **2 Years**

**Teresa Arrospide** – GIS Analyst..... **8 Years**





# Colorado 811 Operations Staff *(Continued)*

**As you can imagine, technology plays a huge role in Colorado 811's daily operations.**

Technology is present in every area of Colorado 811, such as our extensive ticket management and data storage systems or our highly specialized phone systems; plus, we manage nearly 100 other hardware/software applications and equipment areas that are maintained by our highly skilled **Information System Technology team members**. This dedicated team of information technology professionals is on call 24/7 to serve our internal and external technology needs and keeps our systems and data secure and up and running. This team manages areas such as computer equipment, servers, cyber security, IT infrastructure, helpdesk support, software licensing, vendors & contractors, network

support, project management, software development and telecommunications. Our **Systems Engineers** manage engineering, architecture, and design, as well as configurations, deployment, and reliable operations of computer systems and servers, and much more. Our **Support Technicians** serve as the first point of contact for technical and application support issues, responding to support requests via chat, phone, email, and in person interactions. The duties of our IT team also extend into directing building and back-up generator maintenance, diagnosing computer hardware, cloud storage, and software problems, and implementing effective solutions to customer issues as quickly and accurately as possible.

## Get to know our CO811 Information Technology Team

**Juan Ruiz** – Director of Information Technology.....**5 Years**

**Vince Fairfield** – Senior Systems Engineer .....**2 Years**

**Shaun Khankan** – Systems Engineer .....**1 Year**

**Tariq Abdul-Ghafur** – I.T. Support Technician .....**19 Years**

**Jason Keller** – I.T. Support Analyst .....**new 2023 employee,**  
**with 3 months of proud service**







# Colorado 811 Operations Staff *(Continued)*

## **UNCC appreciates the services of our Human Resources and Administrative Teams**

With approximately 75 full-time staff members, our **Human Resources team** is busy managing a variety of areas such as payroll, benefits, and administrative functions related to our team members. Our dedicated HR team members manage recruiting, interviewing, hiring of staff, employee appreciation activities, consult with department leaders and executives on strategic planning, and serve as the link between the organization's management and our employees.

Colorado 811 also employs two dedicated administrative professionals who manage our front-desk reception and office areas, as well as a variety of other administrative needs for the Colorado 811 Board of Directors and Executive.

## **Get to know our CO811 Human Resources Team**

**Jacquelyn McClure** – Human Resources Director ..... **24 Years**

**Maria Garcia** – Human Resources Assistant..... **5 Years**

## **Get to know our Colorado 811 Administrative and Office Management Team**

**Jennifer Wilson** – Office Manager ..... **11 Years**

**Avery Worland** – Receptionist.....**new 2023 employee with 3 months of proud service**



# Colorado 811 by the Numbers

## 2022 Year End Statistics



**Total Incoming Calls**

**225,181**

2021 – 238,948



**Total Tickets Processed**

**1,089,433**

2021 – 1,065,956



**Average Talk Time**

**7:36**

2021 – 7:06



**Transmissions Per Ticket**

**6.45**

2021 – 6.55



**Average Hold Time**

**6:47**

2021 – 3:22

2023 Average Hold Time  
January–June: 3:23





# Colorado 811 by the Numbers *(Continued)*

## 2022 Year End Statistics

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**Business Hours  
Emergency Ticket Total**  
**34,581**

2021 – 33,245



**After Hours  
Emergency Tickets**  
**5,663**

2021 – 5,377



**Business Hours  
Damage Ticket Total**  
**10,809**

2021 – 11,177

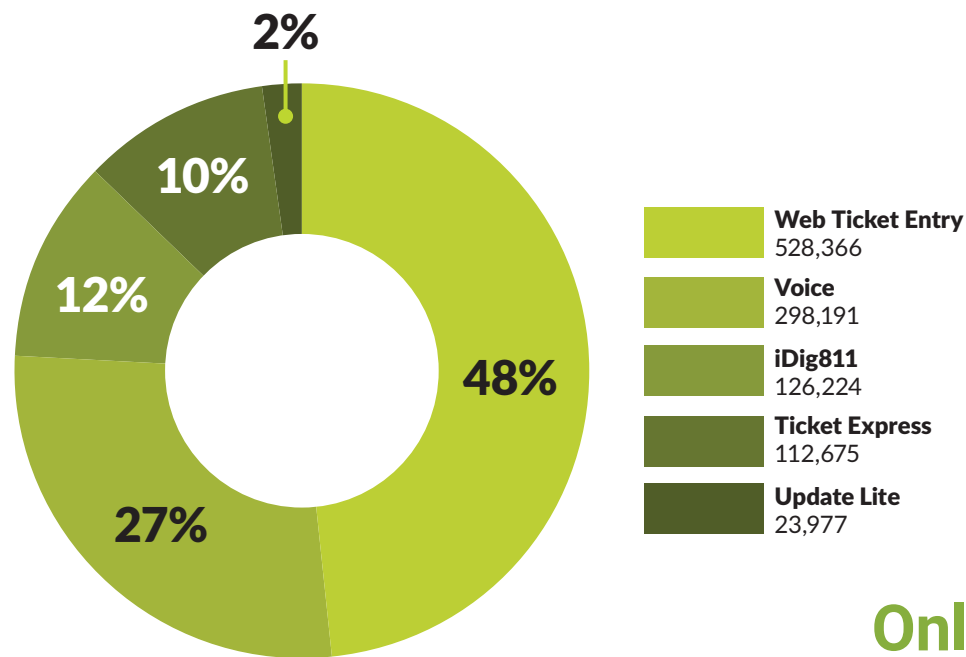


**After Hours  
Damage Tickets**  
**944**

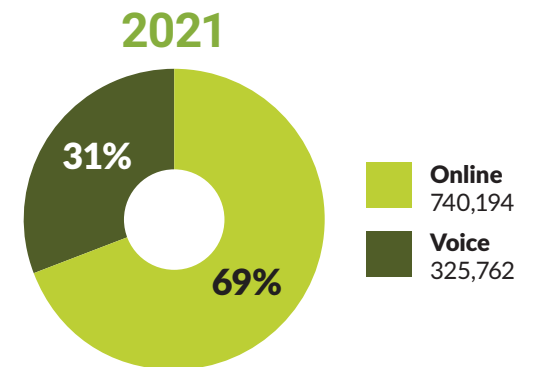
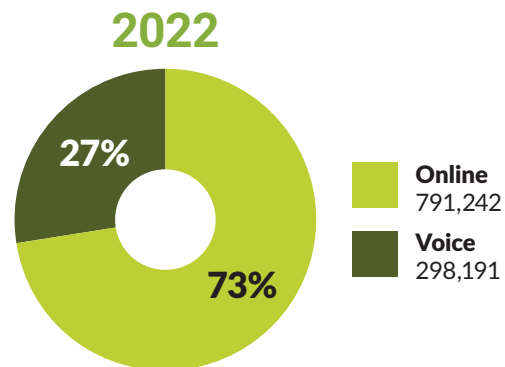
2021 – 860

# Colorado 811 by the Numbers *(Continued)*

## 2022 Total Tickets by Source



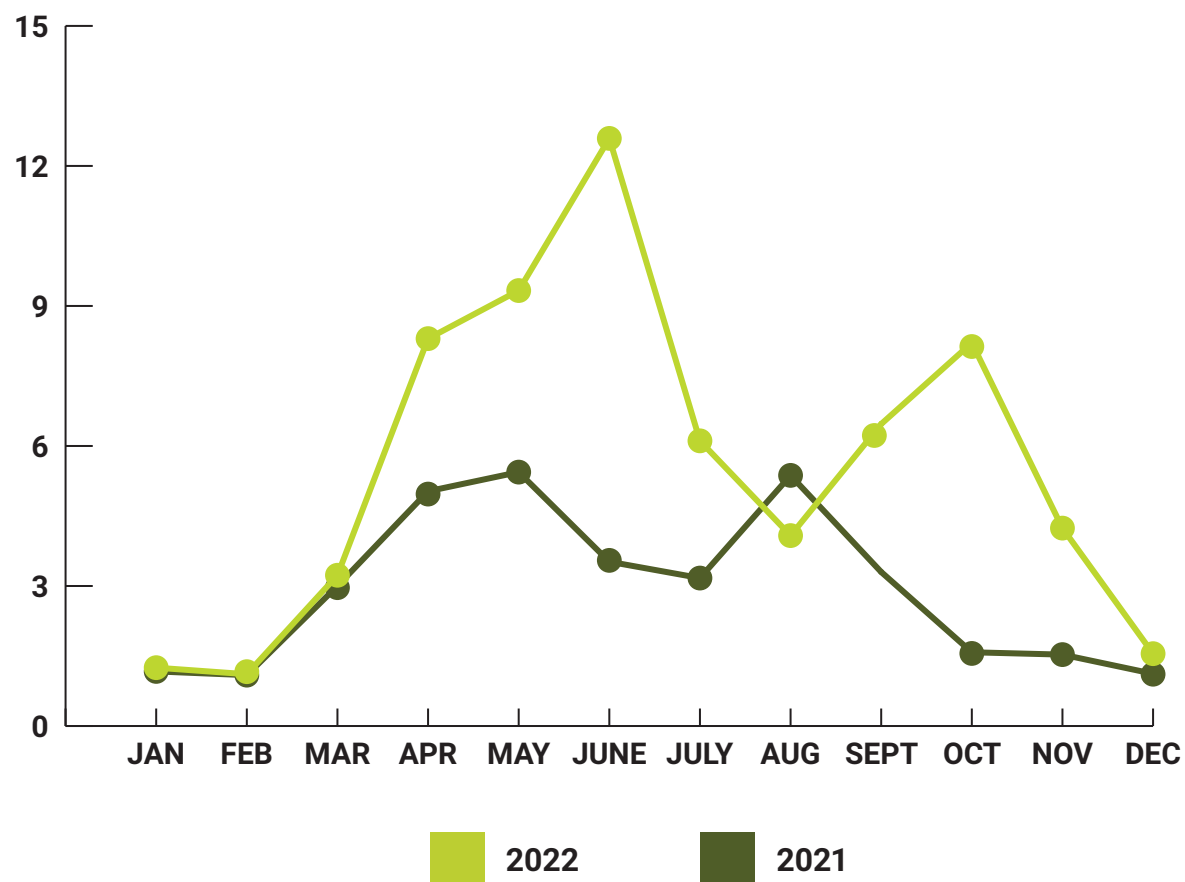
## Online vs Voice





# Colorado 811 by the Numbers *(Continued)*

## Monthly Service Levels

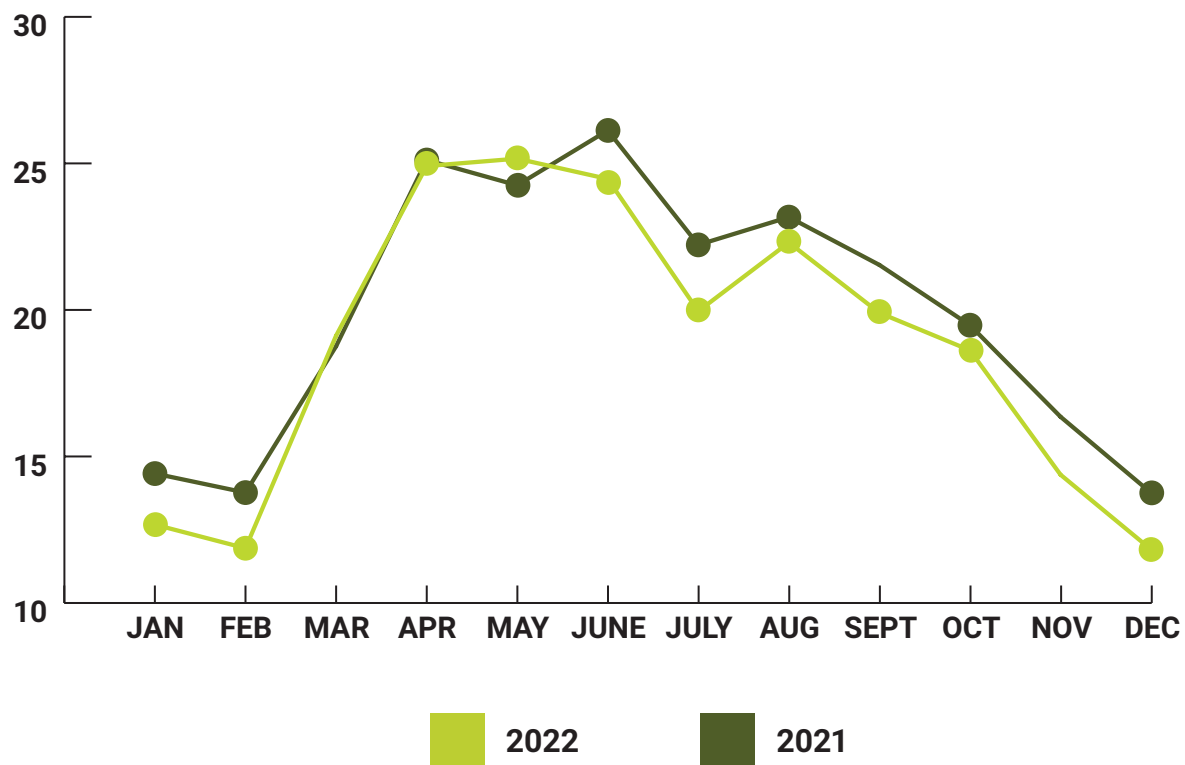


### Service Levels

Month	2021	2022
January	1:17	1:25
February	1:09	1:11
March	3:00	3:23
April	5:03	8:30
May	5:44	9:33
June	3:52	12:59
July	3:17	6:11
August	5:37	4:08
September	3:30	6:47
October	1:58	8:21
November	1:53	4:24
December	1:12	1:55

# Colorado 811 by the Numbers *(Continued)*

## Monthly Call Totals



## Call Totals

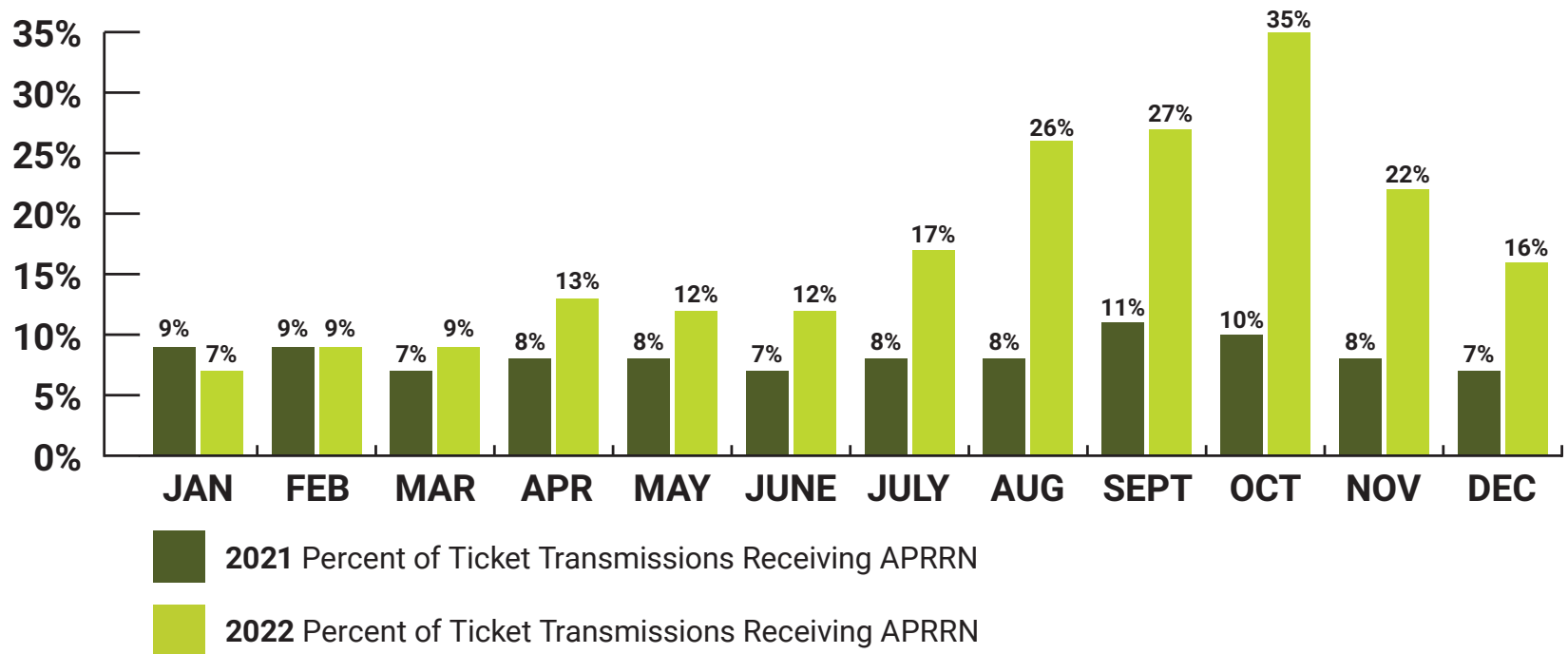
Month	2021	2022
January	14,416	12,674
February	13,767	11,868
March	18,758	19,118
April	25,115	24,909
May	24,253	25,162
June	26,125	24,470
July	22,220	19,956
August	23,167	22,299
September	21,535	19,900
October	19,479	18,622
November	16,355	14,378
December	13,758	11,825



# Colorado 811 by the Numbers *(Continued)*

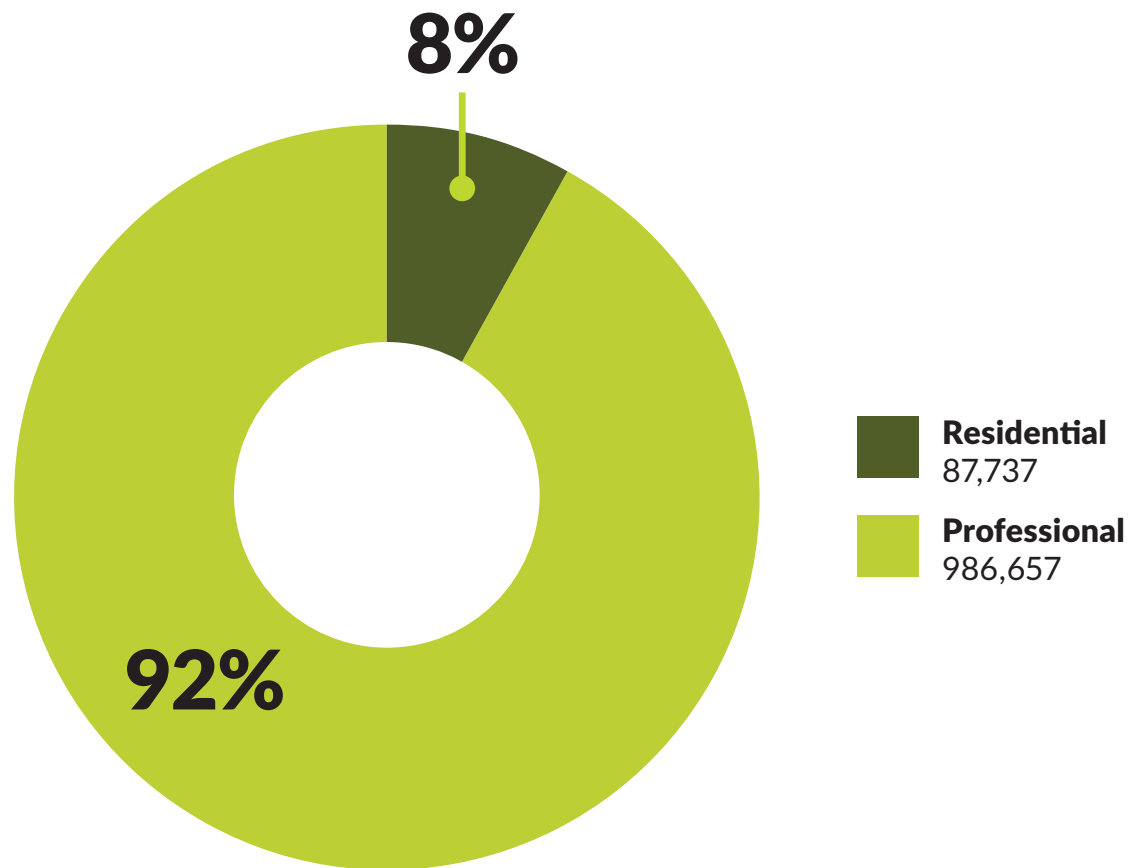
## Positive Response Re-Notification Data Percent of Ticket

### Automatic Positive Response Renotification (APRRN)



# Colorado 811 by the Numbers *(Continued)*

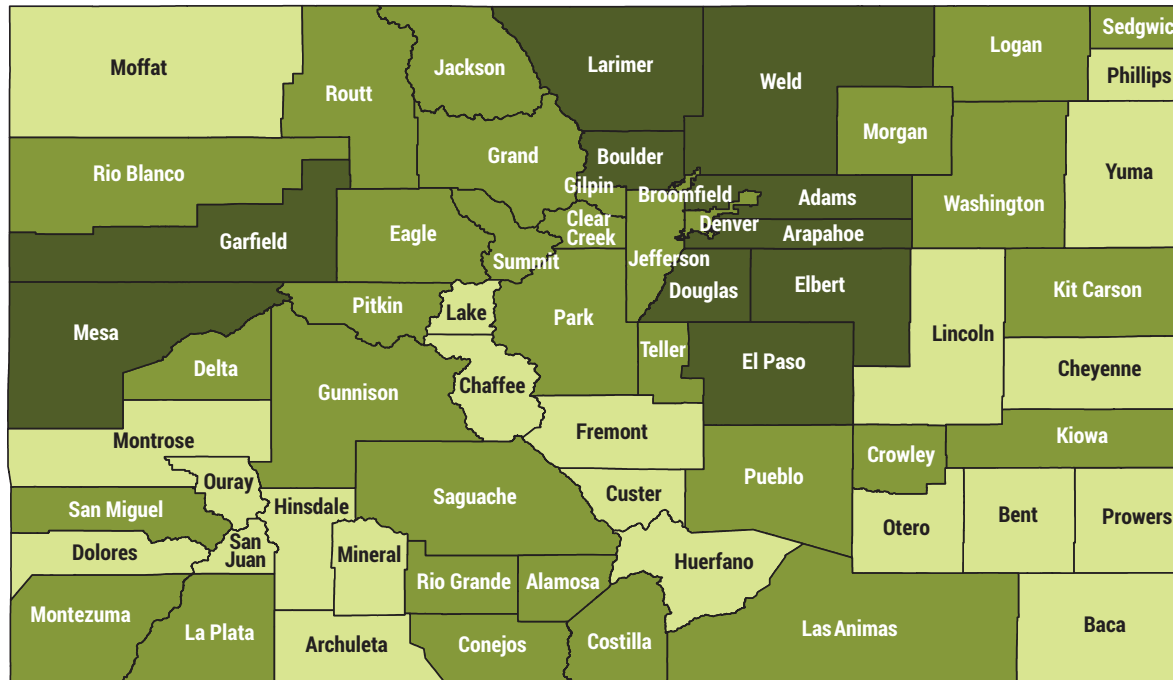
## Requests by User Type





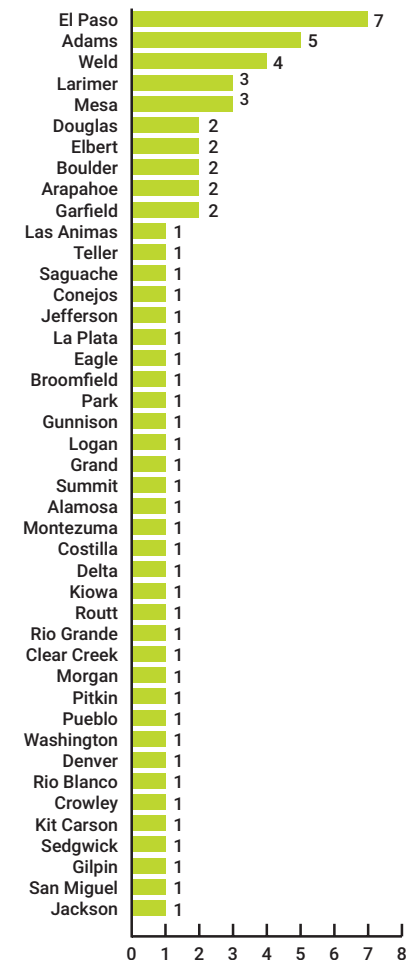
# Mapping Data Update

## 2022 County Updates



2022 Multiple Update (11)
  2022 Update (32)
  2021 Update (21)

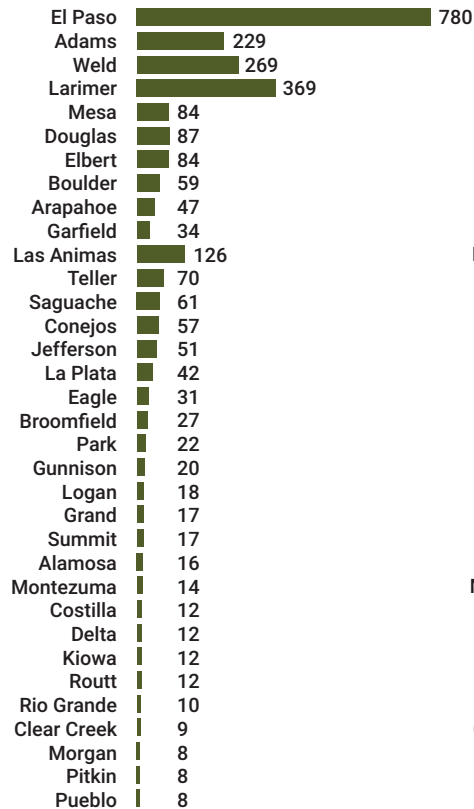
### Total Updates



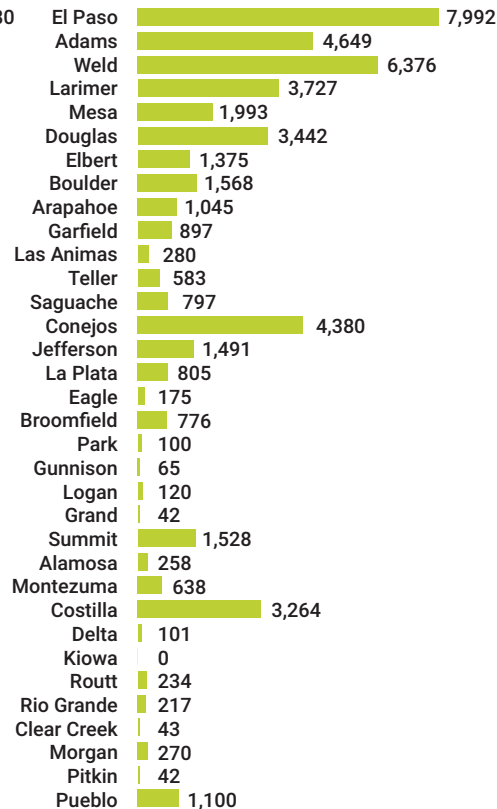
# Mapping Data Update

## 2022 County Updates

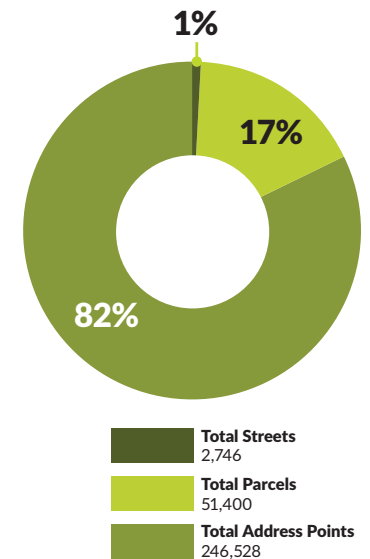
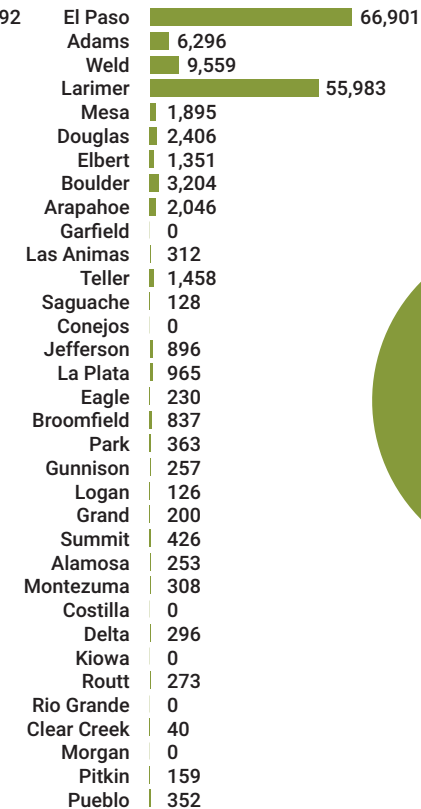
### Number of Streets



### Number of Parcels



### Number of Address Points





# Financial Statements

According to the Colorado Revised Statutes 2022, Title 9, Safety – Industrial and Commercial Buildings and Equipment Article 1.5, the Utility Notification Center of Colorado, Colorado 811, is required to perform an independent annual financial audit of its operations. At the time of completion of this report, the final audited statement was not available yet, and consequently we have included a compilation engagement in accordance with

Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, performed by SKR+CO, an independent accounting firm located in Colorado Springs, Colorado. The audited, final 2022 Financial Statement of the Utility Notification Center of Colorado will be available on [www.Colorado811.org](http://www.Colorado811.org) later this year.





# Financial Statements



## UTILITY NOTIFICATION CENTER OF COLORADO

### Financial Statements

For the Years Ended December 31, 2022 and 2021

And

Accountants' Compilation Report

CPAs + BUSINESS ADVISORS





# Financial Statements

## UTILITY NOTIFICATION CENTER OF COLORADO

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# Financial Statements



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## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Utility Notification Center of Colorado  
Golden, Colorado

Management is responsible for the accompanying financial statements of Utility Notification Center of Colorado, a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements of Utility Notification Center of Colorado as of December 31, 2021, were subjected to an audit engagement by other accountants whose report dated August 8, 2022 expressed an unmodified opinion on those financial statements.

*Stockman Kast Ryan + Co. LLP*

Colorado Springs, CO  
September 6, 2023



# Financial Statements

## UTILITY NOTIFICATION CENTER OF COLORADO

### STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2022 AND 2021

	2022	2021
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 12,421,009	\$ 11,238,853
Accounts receivable	880,348	861,181
Prepaid expenses and other current assets	161,099	117,352
Funds held in agency	49,526	45,143
Total current assets	13,511,982	12,262,529
PROPERTY AND EQUIPMENT, NET	2,045,683	1,702,623
INVESTMENT IN NORFIELD DEVELOPMENT PARTNERS	498,625	442,351
COMPUTER SOFTWARE, NET	86,865	133,731
TOTAL ASSETS	<u>\$ 16,143,155</u>	<u>\$ 14,541,234</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 241,272	\$ 73,592
Accrued wages and benefits	229,320	296,493
Profit sharing contribution payable	366,496	344,279
Funds held in agency	49,526	45,143
TOTAL LIABILITIES	<u>886,614</u>	<u>759,507</u>
NET ASSETS		
Without donor restrictions:		
Board designated	7,092,078	7,612,563
Undesignated	8,164,463	6,169,164
TOTAL NET ASSETS	<u>15,256,541</u>	<u>13,781,727</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,143,155</u>	<u>\$ 14,541,234</u>

See Accountants' Compilation Report and notes to financial statements.

# Financial Statements



## UTILITY NOTIFICATION CENTER OF COLORADO

### STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<b>REVENUES</b>		
Changes in net assets without donor restrictions		
Locate revenue	\$ 10,729,845	\$ 10,006,206
Membership dues	3,425	4,500
<b>Total</b>	<b>10,733,270</b>	<b>10,010,706</b>
<b>COST OF OPERATIONS</b>		
Program services:		
Salaries	2,626,200	2,604,630
Telephone and communication	671,913	836,005
Employee benefits	518,104	557,926
Building maintenance/utilities	407,589	257,047
Profit sharing contribution	225,892	204,405
Payroll taxes	215,608	186,166
Information system supplies	190,989	209,327
Education and training	120,454	49,078
Depreciation	139,718	61,660
Amortization	46,866	53,667
Dues and publications	23,400	15,550
<b>Total program service expenses</b>	<b>5,186,733</b>	<b>5,035,461</b>
Supporting services:		
General and administrative expenses	4,110,405	3,682,941
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>1,436,132</b>	<b>1,292,304</b>
<b>OTHER INCOME (EXPENSE)</b>		
Impairment loss - telephone system	(13,057)	(548,741)
Software income, net	40,905	39,713
Interest income	5,549	6,666
Miscellaneous income	5,285	2,191
<b>Total other income (expense)</b>	<b>38,682</b>	<b>(500,171)</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>1,474,814</b>	<b>792,133</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, Beginning of year</b>	<b>13,781,727</b>	<b>12,989,594</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, End of year</b>	<b>\$ 15,256,541</b>	<b>\$ 13,781,727</b>

See Accountants' Compilation Report and notes to financial statements.



# Financial Statements

## UTILITY NOTIFICATION CENTER OF COLORADO

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	General and Administrative	Total
Salaries	\$ 2,626,200	\$ 1,547,090	\$ 4,173,290
Employee benefits	518,104	217,262	735,366
Profit sharing contribution	225,892	140,604	366,496
Payroll taxes	215,608	116,579	332,187
Total	3,585,804	2,021,535	5,607,339
Telephone and communication	671,913	313,132	985,045
Professional fees		683,783	683,783
Building maintenance/utilities	407,589	102,274	509,863
Advertising		259,967	259,967
Depreciation	139,718	142,847	282,565
Information system supplies	190,989		190,989
Travel and entertainment		173,822	173,822
Education and training	120,454	6,497	126,951
Legal fees		82,851	82,851
Repairs and maintenance		79,923	79,923
Insurance		67,448	67,448
Auto expense		52,115	52,115
Amortization	46,866		46,866
Dues and publications	23,400	22,262	45,662
Advertising - promotion		38,239	38,239
Bad debt expense		9,277	9,277
Office expenses		6,472	6,472
Postage		3,209	3,209
Contributions		2,400	2,400
Rent - equipment and furniture		654	654
Miscellaneous expenses		41,698	41,698
Total expenses	\$ 5,186,733	\$ 4,110,405	\$ 9,297,138

See Accountants' Compilation Report and notes to financial statements.

# Financial Statements



## UTILITY NOTIFICATION CENTER OF COLORADO

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	General and Administrative	Total
Salaries	\$ 2,604,630	\$ 1,450,294	\$ 4,054,924
Employee benefits	557,926	205,519	763,445
Profit sharing contribution	204,405	139,875	344,280
Payroll taxes	186,166	101,346	287,512
Total	3,553,127	1,897,034	5,450,161
Telephone and communication	836,005	330,055	1,166,060
Professional fees		629,763	629,763
Building maintenance/utilities	257,047	65,214	322,261
Depreciation	61,660	152,272	213,932
Information system supplies	209,327		209,327
Advertising		168,140	168,140
Repairs and maintenance		90,492	90,492
Legal fees		73,744	73,744
Travel and entertainment		72,249	72,249
Insurance		71,478	71,478
Amortization	53,667		53,667
Education and training	49,078	2,557	51,635
Dues and publications	15,550	23,714	39,264
Auto expense		38,515	38,515
Advertising - promotion		13,169	13,169
Office expenses		12,057	12,057
Postage		3,270	3,270
Contributions		2,700	2,700
Rent - equipment and furniture		623	623
Bad debt expense		344	344
Miscellaneous expenses		35,551	35,551
Total expenses	\$ 5,035,461	\$ 3,682,941	\$ 8,718,402

See Accountants' Compilation Report and notes to financial statements.



# Financial Statements



## UTILITY NOTIFICATION CENTER OF COLORADO

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
OPERATING ACTIVITIES		
Received for locate revenue	\$ 10,701,401	\$ 9,989,910
Received for membership dues	3,425	4,500
Received for interest income	5,549	6,666
Received for other income	46,190	41,871
Paid for payroll and related expenses	(5,652,295)	(5,365,663)
Paid for supplier and vendors	(3,227,158)	(3,578,404)
Net cash provided by operating activities	<u>1,877,112</u>	<u>1,098,880</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(638,682)	(135,672)
Purchase of shares of Norfield	(56,274)	
Purchases of computer software		(25,792)
Gain on disposal of assets		561,797
Net cash provided by (used in) investing activities	<u>(694,956)</u>	<u>400,333</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,182,156	1,499,213
CASH AND CASH EQUIVALENTS, Beginning of year	<u>11,238,853</u>	<u>9,739,640</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 12,421,009</u>	<u>\$ 11,238,853</u>

See Accountants' Compilation Report and notes to financial statements.

# Financial Statements

## UTILITY NOTIFICATION CENTER OF COLORADO

### NOTES TO FINANCIAL STATEMENTS (SEE ACCOUNTANTS' COMPILATION REPORT)

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** — Utility Notification Center of Colorado (the Organization) is a nonprofit organization incorporated in the State of Colorado on June 11, 1986. The Organization operates a statewide, one-call system which provides a central office for the general public and contractors to obtain the location of underground utilities and thereby protect the buried facilities maintained by the Organization's members. Members are public utility companies, city, county, and local government entities that provide utilities in a specific area, and some excavating contractors located within the State of Colorado. Additionally, the Organization provides statewide public awareness, damage prevention programs and educational services.

**Basis of Accounting and Presentation** — The accompanying financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The Organization follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets accounting principles generally accepted in the United States of America (GAAP) that are followed to ensure the financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the ASC.

ASC 958-205, *Not-for-Profit Entities - Presentation of Financial Statements*, requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, depending on the existence or nature of donor-imposed restrictions. As of December 31, 2022 and 2021, the Organization has no net assets with donor restrictions.

**Cash and Cash Equivalents** — Management considers all highly-liquid instruments with an original maturity date of three months or less to be cash equivalents.

**Board Designated Net Assets** — The board has designated certain assets for future use as outlined in Note 7, Board Designated Net Assets. Board designated net assets consist of cash and highly liquid investments available for use.

**Revenue Recognition** — The Organization recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. ASC 606 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following types of exchange transaction revenue in its statements of activities for the years ended December 31, 2022 and 2021.



# Financial Statements



Locate Revenue: There are three types of membership offered at the Organization: Tier One, Tier Two and Excavator Membership.

- Tier One membership performance obligations include direct notification from the call center regarding excavations in or around the registered members defined notification area. A Tier One membership requires a two-year commitment, in accordance with state law. Tier One revenue is recognized when the performance obligation of direct notification is satisfied. Tier One members are invoiced at the rate of \$1.30 and \$1.32 for each notification received from the Organization and referred to as a ticket during the years ended December 31, 2022 and 2021, respectively;
- Tier Two members register a company name, define a service territory or notification area and provide a single phone number for contact. During 2022 and 2021, all Tier Two members were converted to Tier One members and as of December 31, 2022, there were no Tier Two members. There is no fee for Tier Two members; and
- Excavator membership is an annual \$100 fee recognized ratably as services are simultaneously received and consumed throughout the year. The performance obligation consists of covering costs to allow the excavating company registering to vote and/or run for a seat on the Organization's Board of Directors as well as access to the Expedite website. Excavator membership income is included in membership dues in the statements of activities.

Membership Dues: New members are charged a one-time \$25 membership fee. The performance obligation is to cover costs of administration to establish the new member in the Organization's system and revenue is recognized at the time the member is established.

**Expense Recognition and Functional Expenses** — Expenses paid in advance are capitalized and deferred to the period which they relate. To the greatest extent possible, expenses are charged directly to operating or general and administrative categories based on specific identification.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Certain categories of expenses are attributable to one or more programs or supporting functions. Those expenses include but are not limited to salaries, payroll taxes, benefits, contract services, bank fees, postage, printing, and telephone. These expenses are allocated to program, general and administrative, and fundraising functions based on their utility of time and cost to each class. Other allocated costs include depreciation, rent and occupancy, interest, repairs and maintenance and are allocated based on square footage. There were no fundraising functions performed during the years ended December 31, 2022 and 2021.

**Accounts Receivable** — Trade accounts receivable are recorded at the invoiced amount, and do not bear interest. Management maintains a review and collection procedure utilizing the Jefferson County Courts for collection of bad debts. Due to the historically limited number of bad debts, management believes no allowance for doubtful accounts is necessary at December 31, 2022 or 2021. However, actual write-offs could exceed management's estimate. For the years ended December 31, 2022 and 2021, there was bad debt of \$9,277 and \$344, respectively.

# Financial Statements



**Funds Held in Agency** — The Organization held \$49,526 and \$45,143 at December 31, 2022 and 2021, respectively, in an account under the Organization's name for the benefit of the North American Telecommunications Damage Prevention Council (the Council). The Organization maintains the cash account for the benefit of the Council but has no other authority over the funds. These amounts are included as a current asset and liability on the accompanying statements of financial position.

**Property and Equipment** — Property and equipment are carried at cost, less accumulated depreciation. The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment greater than \$2,500 and a useful life of one or more years. Depreciation is provided on the straight-line method based upon the estimated useful lives of the assets:

Building and improvements	5 - 30 years
Computer Equipment	2 - 10 years
Office Equipment	3 - 10 years
Office Furniture	3 - 20 years
Vehicles	3 - 6 years

Maintenance and repairs which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities.

**Computer Software** — Computer software is carried at cost, less accumulated amortization. The Organization follows the practice of capitalizing qualifying costs which are incurred during the application development stage for computer software developed or obtained for internal-use and amortize them over the software's useful life, which range from three to five years.

**Impairment of Long-Lived Assets** — The Organization reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable from the estimated undiscounted future cash flows from use and eventual disposal. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statements of activities, to its current fair value.

During 2021, the Organization adopted a plan to dispose of some of its assets relating to the telephone system. As part of that plan, an impairment loss of \$548,741 was recognized, which is included in statements of activities, representing the excess of the aggregate carrying amount of certain such assets over the aggregate of their fair value.

**Use of Estimates** — Preparation of the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

# Financial Statements



**Income Tax Status** — The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(4). However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during the years ended December 31, 2022 and 2021.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in these financial statements. The Organization is no longer subject to U.S. federal, or state and local income tax examinations by tax authorities for years before 2019, based on the related statute of limitations.

**Equity Securities Without Readily Determinable Fair Values** — The Organization invests in equity securities of Norfield, a nonpublic company, for strategic purposes. Investments in equity securities of nonpublic entities without readily determinable fair values are carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer, which totaled \$498,625 and \$442,351 at December 31, 2022 and 2021.

The Organization reviews its equity securities without readily determinable fair values on a regular basis to determine if the investment is impaired. For purposes of this assessment, the Organization considers the investee's cash position, earnings and revenue outlook, liquidity and management ownership, among other factors, in its review.

If management's assessment indicates that an impairment exists, the Organization estimates the fair value of the equity investment and recognizes in current earnings an impairment loss that is equal to the difference between the fair value of the equity investment and its carrying amount. As of December 31, 2022, there were no material impairments noted by management.

**Financial Instruments and Credit Risks** — For the years ended December 31, 2022 and 2021, the Organization had approximately \$4,011,000 and \$3,455,000, respectively, of locate revenue (approximately 37% and 35% of locate revenue for the period) from three members, each greater than 10%. At December 31, 2021, the Organization had approximately \$112,000 of accounts receivable (13% of total accounts receivable) due from one member.

The Organization manages cash deposit concentration risk by placing cash and cash equivalents with various financial institutions considered to be high quality and credit-worthy. At times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. Cash and cash equivalents of approximately \$1,924,000 and \$780,000 were uninsured as of December 31, 2022 and 2021, respectively.

Investments are subject to market risk, which is the risk that the value of the investment will decrease due to the fluctuations in security prices. Fluctuations can be caused by changes in interest rates, market dynamics, and other factors outside the Organization's control. Highly liquid investment balances of approximately \$10,046,000 and \$10,040,000 are included in cash and cash equivalents in the statement of financial position at December 31, 2022 and 2021, respectively.



# Financial Statements

**Subsequent Events** — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Accountants' Compilation Report, which is the date the financial statements were available for issuance.

**Advertising** — The Organization expenses advertising and promotion costs as they are incurred. Advertising costs totaled \$298,206 and \$181,309 during the years ended December 31, 2022 and 2021, respectively.

**Common Ground Alliance Software** — The Organization has a damage reporting agreement through Common Ground Alliance to host and maintain an international damage reporting tool. The Organization recognized other software income totaling \$40,905 and \$39,713 during the years ended December 31, 2022 and 2021, respectively, in connection with this agreement.

## 2. AVAILABILITY OF RESOURCES AND LIQUIDITY

The following represents the Organization's financial assets at December 31:

	2022	2021
Cash and cash equivalents	\$ 12,421,009	\$ 11,238,853
Accounts receivable	<u>880,348</u>	<u>861,181</u>
Financial assets	13,301,357	12,100,034
Less: board designated net assets	<u>(7,092,078)</u>	<u>(7,612,563)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 6,209,279</u>	<u>\$ 4,487,471</u>

The Organization's goal is generally to maintain financial assets to meet 180 days of operating expenses. The Organization maintains adequate cash reserves to meet this requirement. Additionally, the Organization has credit card availability of up to \$87,650 to meet cash flow needs. The assets above are subject to board designations of \$7,092,078 and \$7,612,563, respectively, as outlined Note 7, Board Designated Net Assets.

## 3. COMPUTER SOFTWARE

Computer software consisted of the following at December 31:

	2022	2021
Computer software	\$ 935,617	\$ 935,617
Less: accumulated amortization	<u>(848,752)</u>	<u>(801,886)</u>
Computer software, net	<u>\$ 86,865</u>	<u>\$ 133,731</u>

# Financial Statements



## 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2022	2021
Building and improvements	\$ 2,304,273	\$ 2,255,509
Computer equipment	780,248	942,269
Office equipment	523,737	875,424
Office furniture	369,520	369,520
Land	304,162	304,162
Vehicles	289,233	289,233
Construction in progress		<u>36,975</u>
Total	4,571,173	5,073,092
Less: accumulated depreciation	<u>(2,525,490)</u>	<u>(3,370,469)</u>
Property and equipment, net	<u>\$ 2,045,683</u>	<u>\$ 1,702,623</u>

## 5. INVESTMENT IN NORFIELD DEVELOPMENT PARTNERS

Effective February 26, 2014, the Organization, along with seven additional members, purchased 100% of the assets of Norfield Data Products for \$4,000,000. The Organization contributed \$442,351 for 11% of Norfield Development Partners, LLC (Norfield). During 2015, Norfield admitted one additional member and reduced the Organization's ownership in Norfield to 9.88%. During 2022, the Organization invested an additional \$56,274, which increased ownership to 11.14%. Investments not accounted for under the consolidation or equity method are accounted for under the cost method of accounting. Under this method, the Organization's share of the earnings or losses of Norfield are not included in the accompanying statements of financial position or activities.

In 2022 and 2021, the Organization paid Norfield approximately \$316,841 and \$242,302, respectively, for services performed.

## 6. PROFIT SHARING PLAN

Effective January 1, 2015, the Organization adopted the Utility Notification Center of Colorado 401(k) Profit Sharing Plan, a defined contribution plan (the Plan). An investment company provides investment consultation and administration to eligible employees. Contributions to the Plan by the Organization are limited to a maximum of 15% of compensation and are subject to discrimination requirements. The employee vests in the Organization's contributions over a five-year period. For the years ended December 31, 2022 and 2021, the Organization contributed 10% of eligible employees' wages to the Plan, totaling \$366,496 and \$344,280, respectively.



# Financial Statements



## 7. BOARD DESIGNATED NET ASSETS

The Organization's Board of Directors has designated net assets as follows at December 31:

	2022	2021
Business Continuity Fund	\$ 4,502,381	\$ 4,502,381
Capital Planning Fund	1,963,875	2,354,185
Legislative Fund	625,822	625,822
Health Care Fund	<u>—</u>	<u>130,175</u>
Total board designated net assets	<u>\$ 7,092,078</u>	<u>\$ 7,612,563</u>

The Organization's Board of Directors has released designated net assets as follows during the years ended December 31:

	2022	2021
Capital Planning Fund	\$ 390,310	
Legislative Fund		\$ 32,832
Health Care Fund	<u>130,175</u>	<u>2,858</u>
Total released from board designated net assets	<u>\$ 520,485</u>	<u>\$ 35,690</u>

## 8. SUBSEQUENT EVENTS

Subsequent to December 31, 2022, the Organization paid \$385,000 to settle an employment related dispute.



# Utility Notification Center of Colorado

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