



2020 ANNUAL REPORT

Protecting Colorado's Underground Infrastructure





Promoting public safety
and the protection of
underground infrastructure.

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CHAIRMAN & CEO

ANNUAL REPORT LETTER 2020

I want to thank each one of you for your consistent support as we managed the year that was 2020. We faced many challenges as we focused on providing vital notification services that are essential to the safety and well-being to the citizens and workers in Colorado.

We all work collectively in this industry; we must partner together and collaborate to improve damage prevention. Our organization participates in several international, national, state, and local organizations and trade associations. We are incredibly thankful for our partnership with the State of Colorado through the Underground Damage Prevention Safety Commission and their dedicated staff. Our involvement in these professional damage prevention entities adds significant value to our organization's mission.

Colorado 811 continues to review, evaluate, and act on the evolving environment that is now our reality due to the COVID-19 pandemic. The way we communicate with our stakeholders has changed drastically. We have adopted video conferencing technology that has allowed us to address and resolve issues while remaining safe. We operated in this capacity from the end of March 2020 through the remainder of the year while maintaining the Board of directors' service levels. Once we know, we can keep our employees safe, and our plan matures to give us all the confidence to return to work in our facility.

I am so proud of the job our staff has done. Each one has demonstrated that we are all in this together. Our culture of family and safety is consistently at the forefront of our thinking and our decision-making process. We committed our time to our organization's things that matter, quality, and reliability during this challenging time of uncertainty. These two key components continued to drive our operations as we carried out our mission of providing reliable notification services to the damage prevention industry. We experienced various service interruptions this past year due to communication line complications. I thank you for your patience in working with us as we have addressed each of these

outages. We are 100% committed to operating and maintaining a resilient and reliable notification system with minimal to no service interruptions - period.

When we started the year 2020, we had meaningful plans to improve our Colorado 811 stakeholders' services. Our strategic planning session in late 2019 was driven by feedback from the in-person meetings we held and numerous stakeholder survey responses. These feedback efforts gave us a clear path to what members wanted to see improved. Then the pandemic hit, and we had a decision to make. How would we still provide the services they need and implement the changes they asked for while keeping our staff safe and healthy.

We moved in the direction of people over processes and closed the office on March 20, 2020. Our staff pivoted instantly, and plans, policies, and procedures were developed, approved, and initiated within weeks. We did not skip a beat transitioning 50 employees to work remotely almost overnight. I am pleased to report that we are currently 99% working from home and will remain in this state for the remainder of 2020. The Board of Directors fully supported the transition, and since that time, the Board has followed suit and will conduct 100% of their meetings virtually.

I need to commend the incredible Colorado 811 staff for the superb work during the 2020 pandemic. We will continue to focus our energy on our people because we all know people do the 811 work, and we are all 811.

J.D. Maniscalco
Colorado 811 CEO

Toni Pascal
Colorado 811 Board Chairman

BOARD OF DIRECTORS



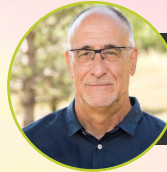
Toni Pascal - Chairperson
EXCAVATOR DIRECTOR
Pascal Construction Company



Eric Kirkpatrick - Vice Chairperson
ELECTRIC DISTRIBUTION
Xcel Energy



Cody O'Neil - Treasurer
ELECTRIC COOPERATIVE
Holy Cross Energy



Tony Cocozzella - Secretary
WATER & SANITATION
Platte Canyon Water & Sanitation District



Frank Trujillo
CABLE TELEVISION
Comcast



Garth Rygh
TIER TWO
Denver Water



Bill Stephens
GAS DISTRIBUTION
Black Hills Energy



Thomas Sturmer
COMMUNICATIONS
Century Link



Darrell Roberts
GOVERNMENT
Douglas County Department of Public
Works Engineering



Chuck Snare
GAS TRANSMISSION
TallGrass Energy



J.D. Maniscalco
CEO
Utility Notification Center of Colorado



David DiGiacomo
LEGAL COUNSEL
DiGiacomo, Jagers & Perko, LLP



Christine Miller
CONTROLLER
Utility Notification Center of Colorado



Shelly Dornick
SPECIAL DIRECTOR
Colorado Springs Utilities

HUMAN RESOURCES

DEPARTMENT REVIEW

This year, the primary focus in the HR department has been centered around the challenges we faced in regard to the COVID-19 pandemic. In an effort to ensure our organization remained compliant with the new rules and regulations, we had to navigate the complexities presented by the newly passed legislation earlier in the year and remain diligent in understanding the many changes that followed. Our continued focal point throughout, and utmost goal, was to maintain a safe and healthy workforce. In addition to being a fully remote workforce since March, the recruiting, onboarding and training of new employees took place virtually.

In addition, the organization requested and received approval from our Board of Directors to remove the seasonal designation and transition all seasonal employees to Full-time status. In August, nine seasonal Damage Prevention Agents were converted to Full-time status and moving forward, newly hired Damage Prevention Agents will be given Full-time designations. With this change, our benefits package is provided equally to all employees.

DAMAGE PREVENTION SPECIALISTS

Lisa Greenley - 22 Years



Ronelle Blatnik - 21 Years



Christopher Eason - 7 Years



Drew Behringer - 6 Years



Caitlin Carr - 6 Years



RETIREMENT ANNOUNCEMENT

After 21 years of service Damage Prevention Specialist, Ollie Sumner, retired from Colorado 811 on July 1, 2020. She is looking forward to traveling with her husband, Brent, and their dog, Dorothy. We thank Ollie for her many years of service and wish her nothing but joy in her retirement!

DAMAGE PREVENTION AGENTS

Phoenix Ragland - 25 Years



Nancy Pemberton - 21 Years



Mark Vandegrift - 16 Years



Diana Martinez - 9 Years



Chandra Love - 6 Years



Lencho Silvas - 6 Years



Marilyn Armel - 5 Years



Mary Patton - 5 Years



Emma Pashley - 3 Years



Wallace Smith - 3 Years



Robbin Zoupas - 3 Years



Cassandra Davis - 2 Years



Heidi Eggert - 2 Years



Lillian Alban - 1 Year



Daniel Egan - 1 Year



Karen Hendricks - 1 Year



Zahari Herbert - 1 Year



Julia Morse - 1 Year



Taylor Nation - 1 Year



Arlene Purdy - 1 Year



Evan Sanders - 1 Year



Kathryn Calip - 1st Year



Shawn Johnson - 1st Year



Darien Martinez - 1st Year



Jodie Miller - 1st Year



Gayle Pledger - 1st Year



Edward Sheen - 1st Year



Nathaniel Brantley - 1st Year



Amanda Brown - 1st Year



IN LOVING MEMORY

It is with great sorrow to share the passing of our cherished colleague, Irene Scott. Irene spent the last five years of her life working as a Damage Prevention Agent and she was happy, and proud, to be a part of our family here at Colorado 811. Her laughter and bubbly nature is missed by all.

SUPPORT STAFF

CONTACT CENTER

Mahlon Knight - *Online Services Specialist* - 18 Years



Rose Martinez - *Contact Center Supervisor* - 13 Years



Jessica Behm - *Quality Assurance Coordinator* - 12 Years



Holly Ingram - *Online Services Specialist* - 9 Years



Tina Sparks - *Emergency/Damage Specialist* - 4 Years



Nicole Hansen - *Contact Center Supervisor* - 2 Years



Phillip Steele - *Contact Center Supervisor* - 1st Year



DAMAGE PREVENTION LIAISONS

Todd Griffeth - *Southeast Region* - 5 Years



Sanatam Khalsa - *Northwest Region* - 5 Years



Janeille Duran - *Denver Metro Region* - 3 Years



Alicia Hays - *Northeast Region* - 3 Years



David Waller - *Southwest Region* - 1 Year



SUPPORT STAFF *(cont.)*

MEMBER RELATIONS DEPARTMENT

Ericka Silvas - *Member Relations Specialist* - 22 Years



Melany Wellensiek - *Member Relations Specialist* - 18 Years



Teresa Arrospide - *GIS Analyst* - 6 Years



Carlie White - *Member Relations Specialist* - 6 Years



Mellissa McCafferty - *Member Relations Specialist* - 2 Years



IT DEPARTMENT

Tariq Abdul-Ghafur - *Systems Administrator* - 16 Years



Scott May- *IT Support Engineer* - 5 Years



ADMINISTRATIVE STAFF

J.D. Maniscalco - *Chief Executive Officer* - 29 Years



Jose Espino - *Director of Operations* - 25 Years



Martin Mead - *Director of Damage Prevention* - 23 Years



Jacquelyn McClure - *Human Resources Administrator* - 22 Years



Carla Sanchez - *Director of Member Relations* - 16 Years



Jennifer Wilson - *Executive Assistant* - 9 Years



Whitney Nichols - *Marketing & Communications Administrator* - 7 Years



Melissa Craven - *Business Analyst* - 6 Years



Maria Garcia - *Administrative Assistant* - 3 Years



Juan Ruiz - *Director of Information & Technology* - 2 Years



PERSONNEL STATS

End of Year Staff

63

New Hired Staff

12

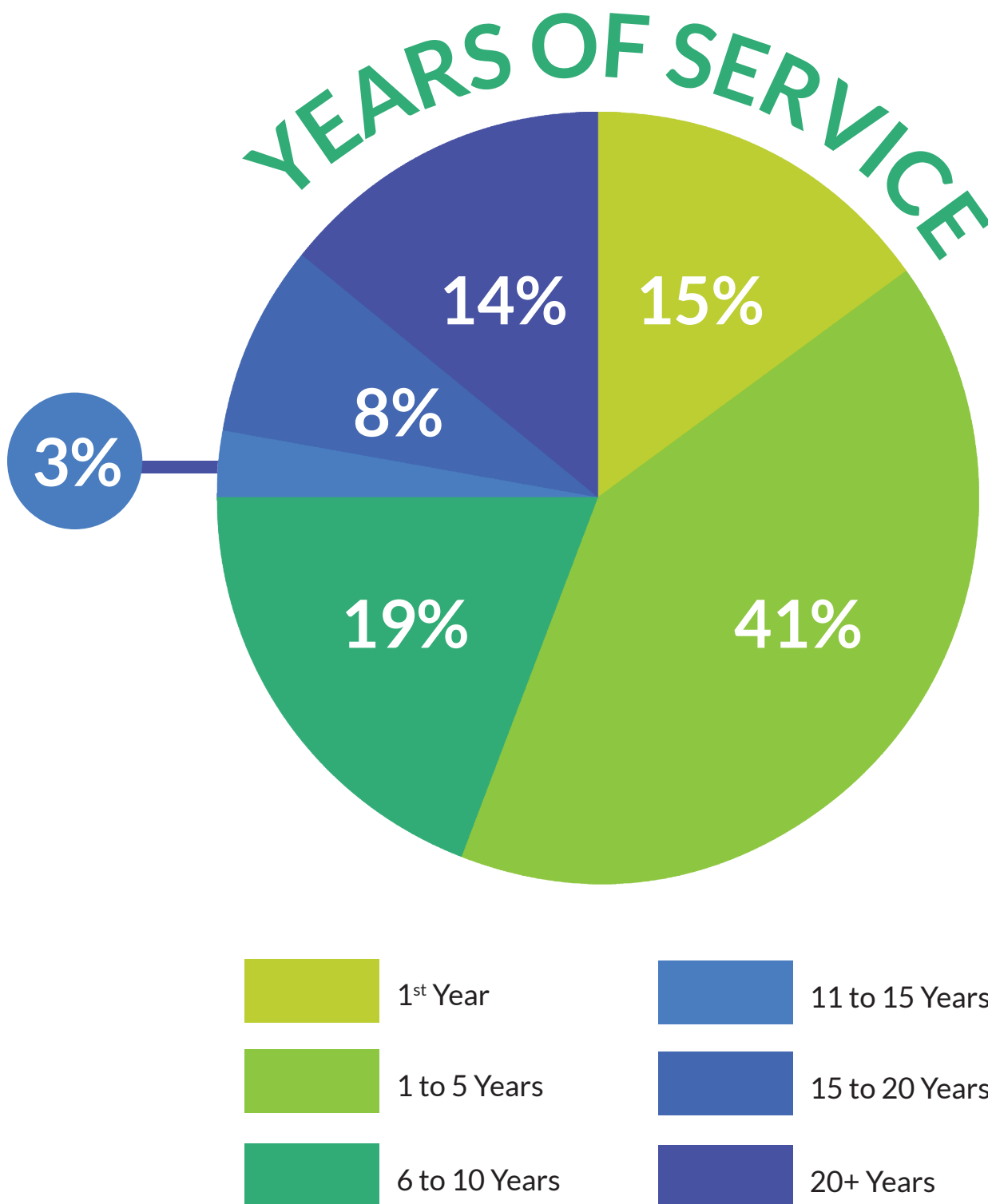
Resignations & Terminations

13

Seasonal Staff Transitioned to Full Time Staff

9

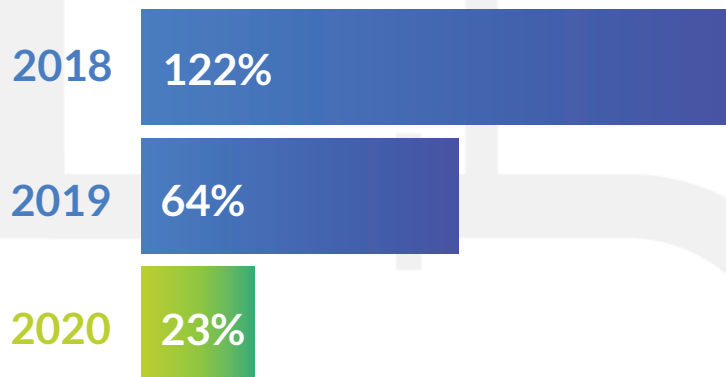
PERSONNEL STATS *(cont.)*



PERSONNEL STATS *(cont.)*

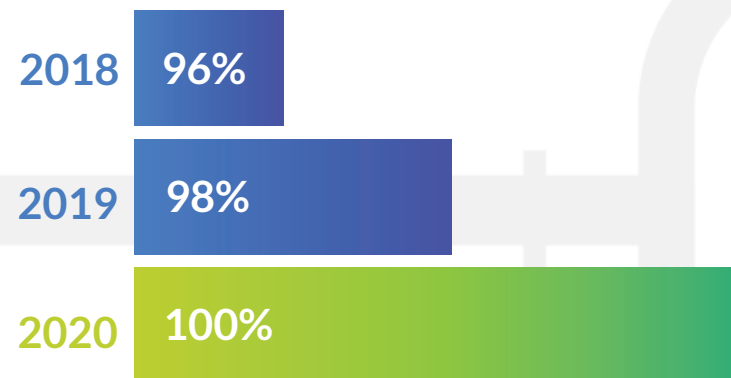
ANNUAL OPERATIONAL TURNOVER

(including seasonal staff)

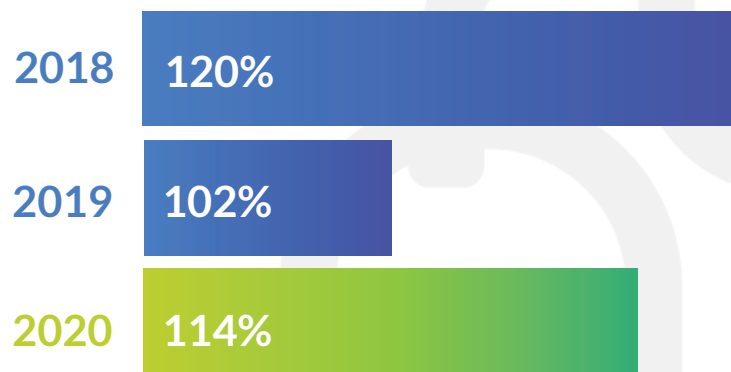


ANNUAL ORGANIZATIONAL RETENTION

(excluding seasonal staff)

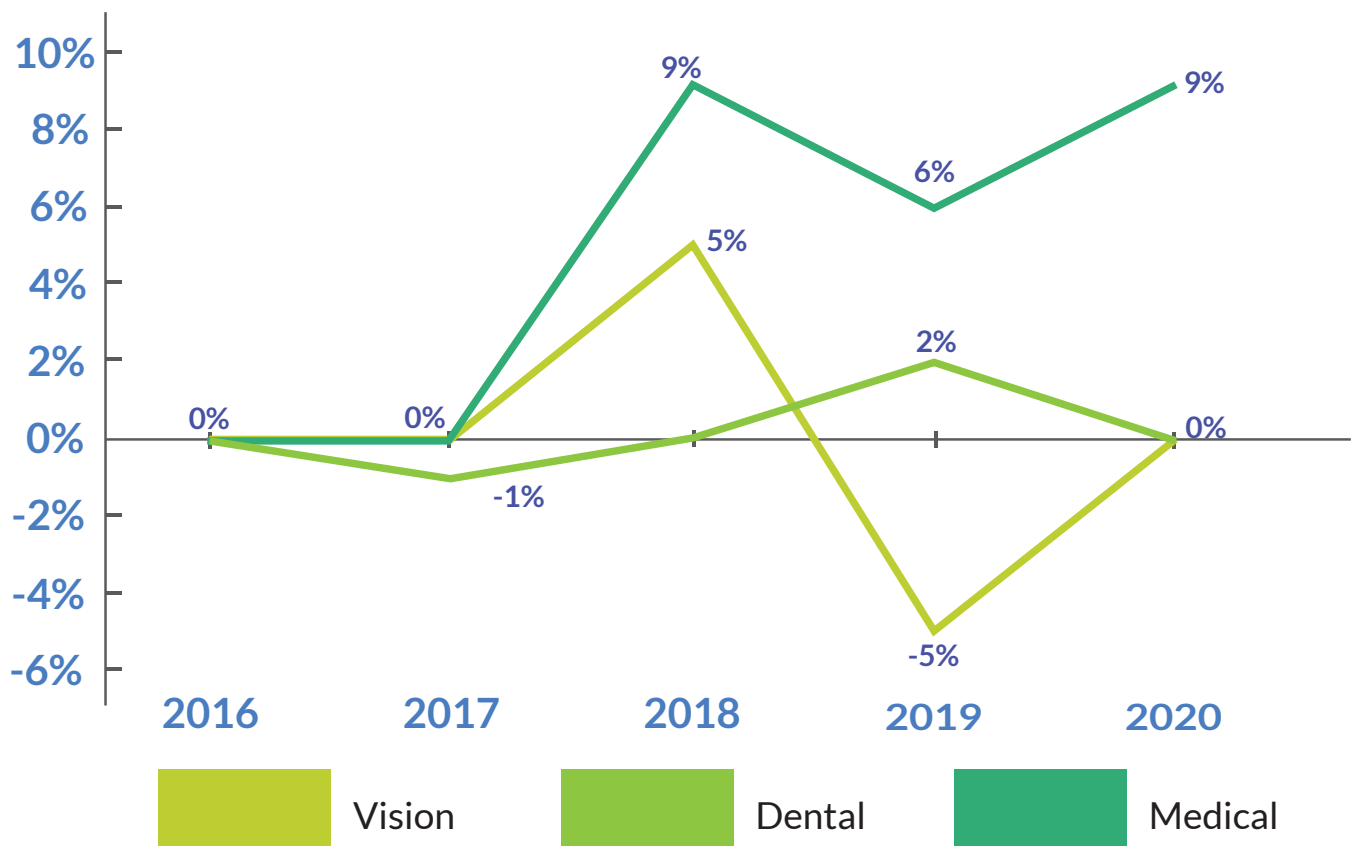


ANNUAL OPERATIONAL RETENTION

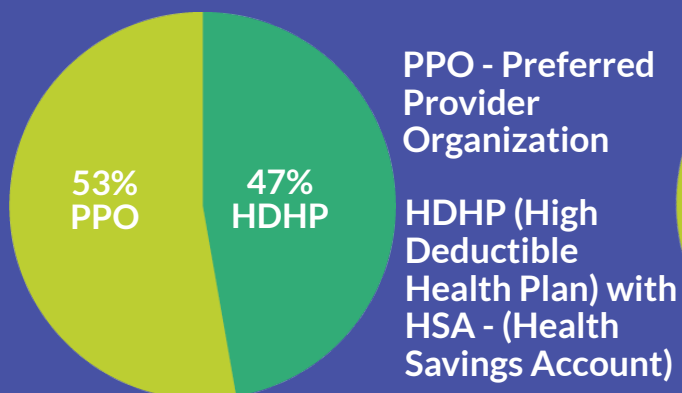


BENEFIT REVIEW

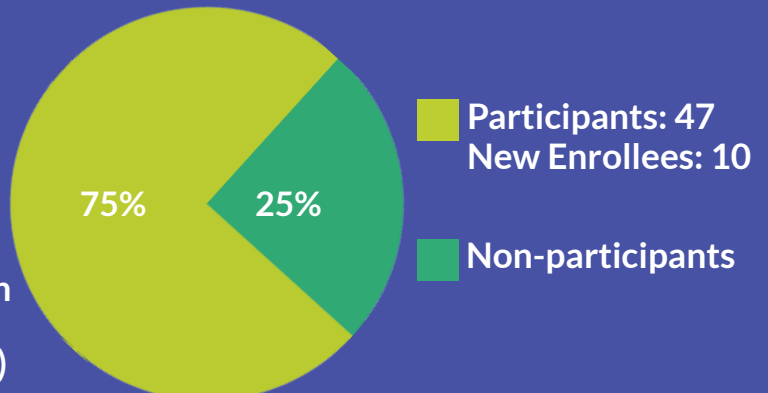
ANNUAL RATE INCREASE



2020 PLAN ENROLLMENT



401(K) EMPLOYEE PARTICIPATION



YEAR END STATISTICS



2020
TOTAL INCOMING CALLS
267,119
2019 - 249,319 • 2018 - 275,902



2020
AVERAGE TALK TIME
6:34min
2019 - 8:52min • 2018 - 8:42min



2020
AVERAGE HOLD TIME
2:43min
2019 - 7:48min • 2018 - 3:40min



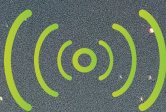
2020
TOTAL TICKETS PROCESSED
1,025,878
2019 - 957,061 • 2018 - 922,061



2020
TRANSMISSIONS PER TICKET
6.32
2019 - 6.59 • 2018 - 6.31



2020
TIER 1 NOTIFICATION
TRANSMISSIONS
6,483,422
2019 - 6,309,494 • 2018 - 5,705,059



2020
APRRN TRANSMISSIONS*
*AUTOMATIC POSITIVE RESPONSE
RENOTIFICATION TRANSMISSIONS
1,129,037



2020
WEB TICKETS
680,706
2019 - 609,385 • 2018 - 560,699

YEAR END STATISTICS



2020
TIER 1 MEMBERS
2,112

2019 - 1,847 • 2018 - 1,243



2020
TIER 2 MEMBERS
151

2019 - 459 • 2018 - 573



2020
EMERGENCY TICKETS
*INCLUDING AFTER HOURS
36,342

2019 - 30,685 • 2018 - 29,196



2020
AFTER HOURS
EMERGENCY TICKETS
5,241

2019 - 4,735 • 2018 - 4,635



2020
DAMAGE TICKETS
*INCLUDING AFTER HOURS
12,437

2019 - 10,031 • 2018 - 10,752



2020
AFTER HOURS
DAMAGE TICKETS
1,066

2019 - 903 • 2018 - 892



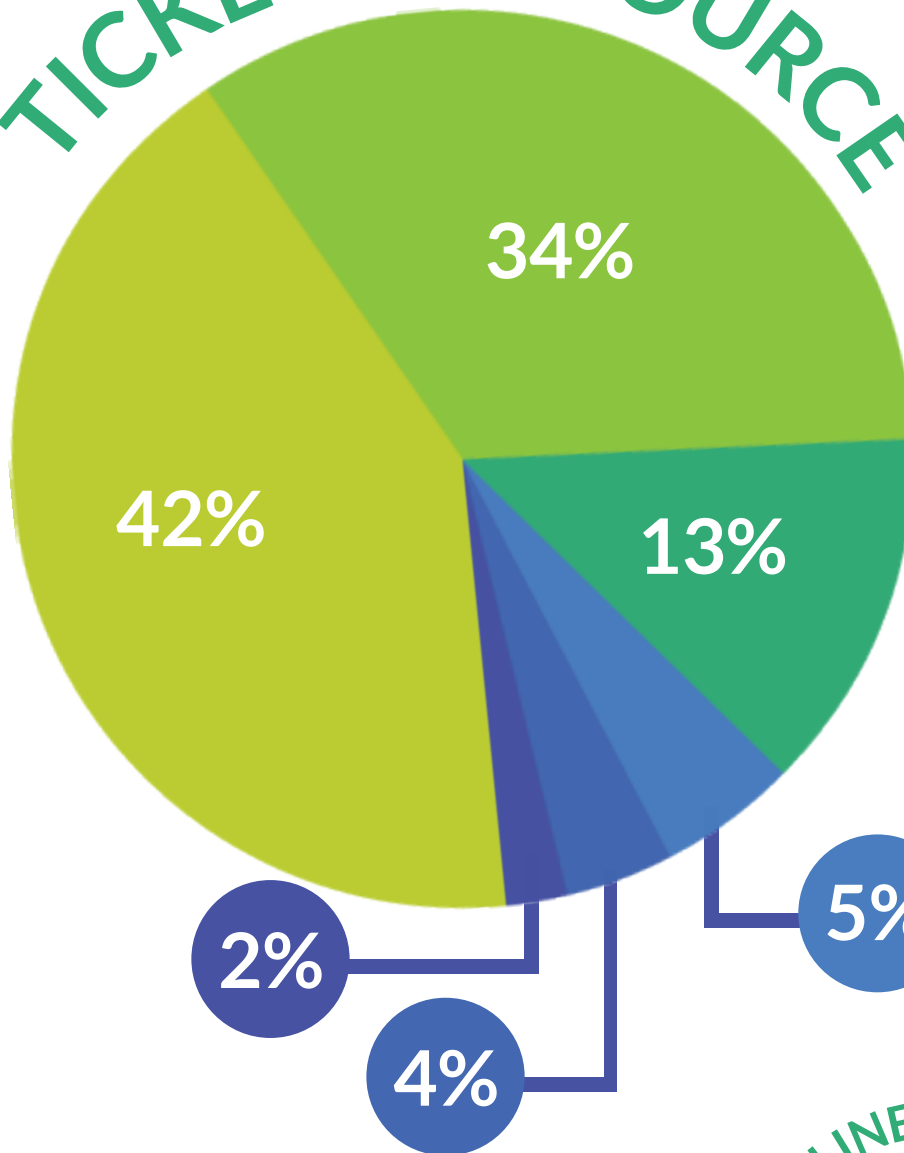
2020
AGENTS / DP SPECIALISTS
*FULL TIME
34

2019 - 34 • 2018 - 39

2020 TOTAL TICKETS

BY SOURCE

TICKETS BY SOURCE



WEB TICKET ENTRY
432,330

VOICE
345,172

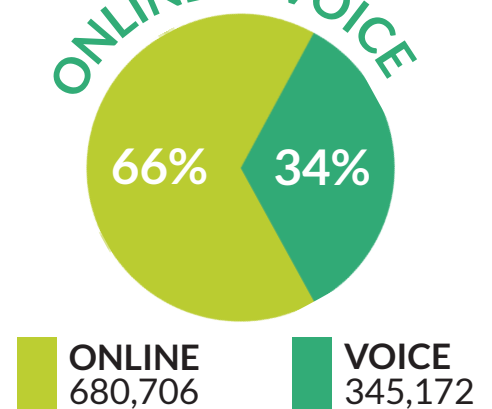
iDIG811
136,009

TICKET EXPRESS
48,719

EMAIL AND WEBFORM
40,218

UPDATE LITE
23,430

ONLINE vs VOICE

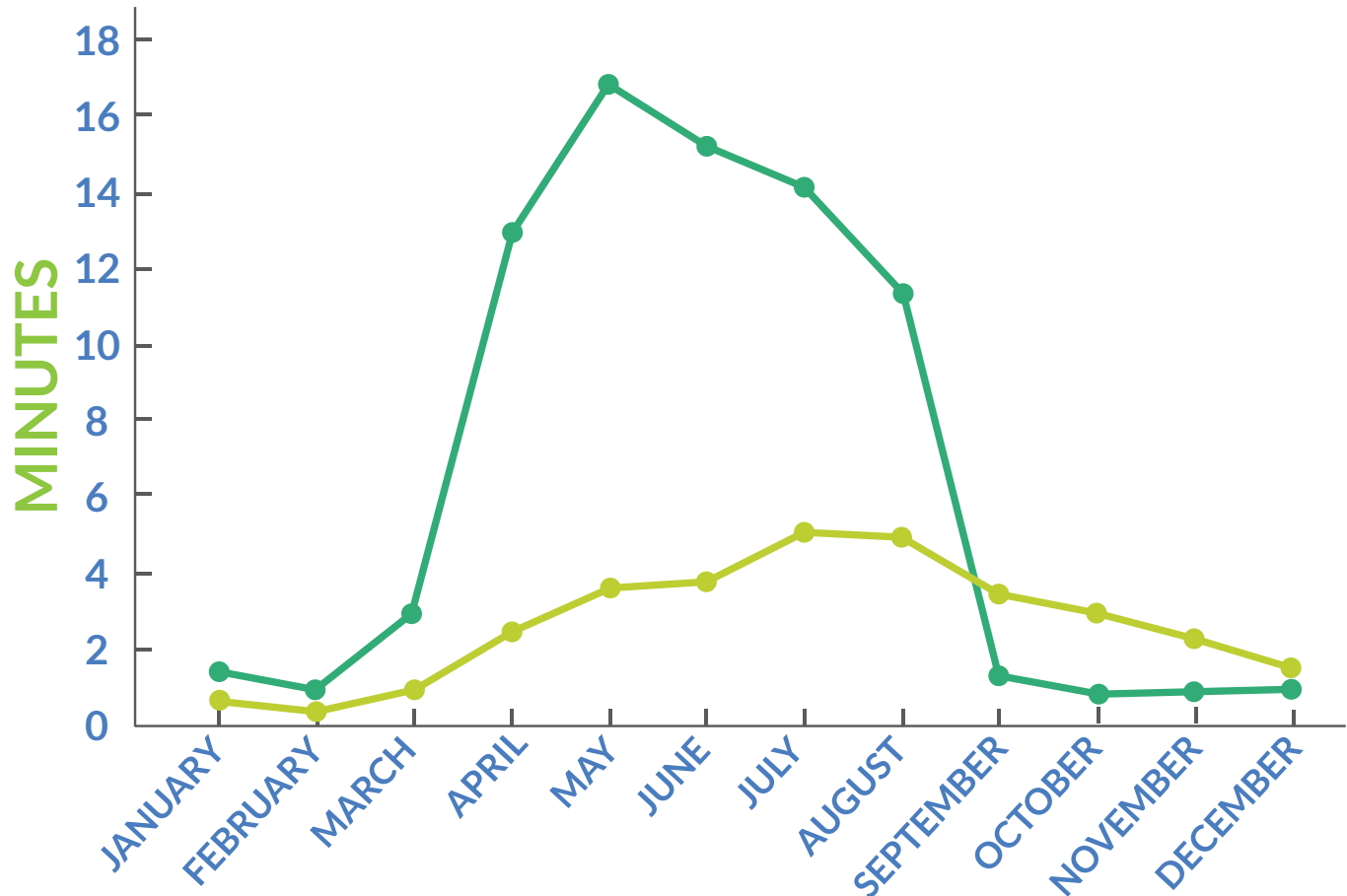


ONLINE
680,706

VOICE
345,172

SERVICE LEVELS BY MONTH

MONTHLY SERVICE LEVEL



2019 SERVICE LEVEL

JANUARY:	1:34
FEBRUARY:	0:54
MARCH:	3:13
APRIL:	13:29
MAY:	17:24
JUNE:	15:39
JULY:	14:10
AUGUST:	11:53
SEPTEMBER:	1:39
OCTOBER:	0:57
NOVEMBER:	1:04
DECEMBER:	1:12

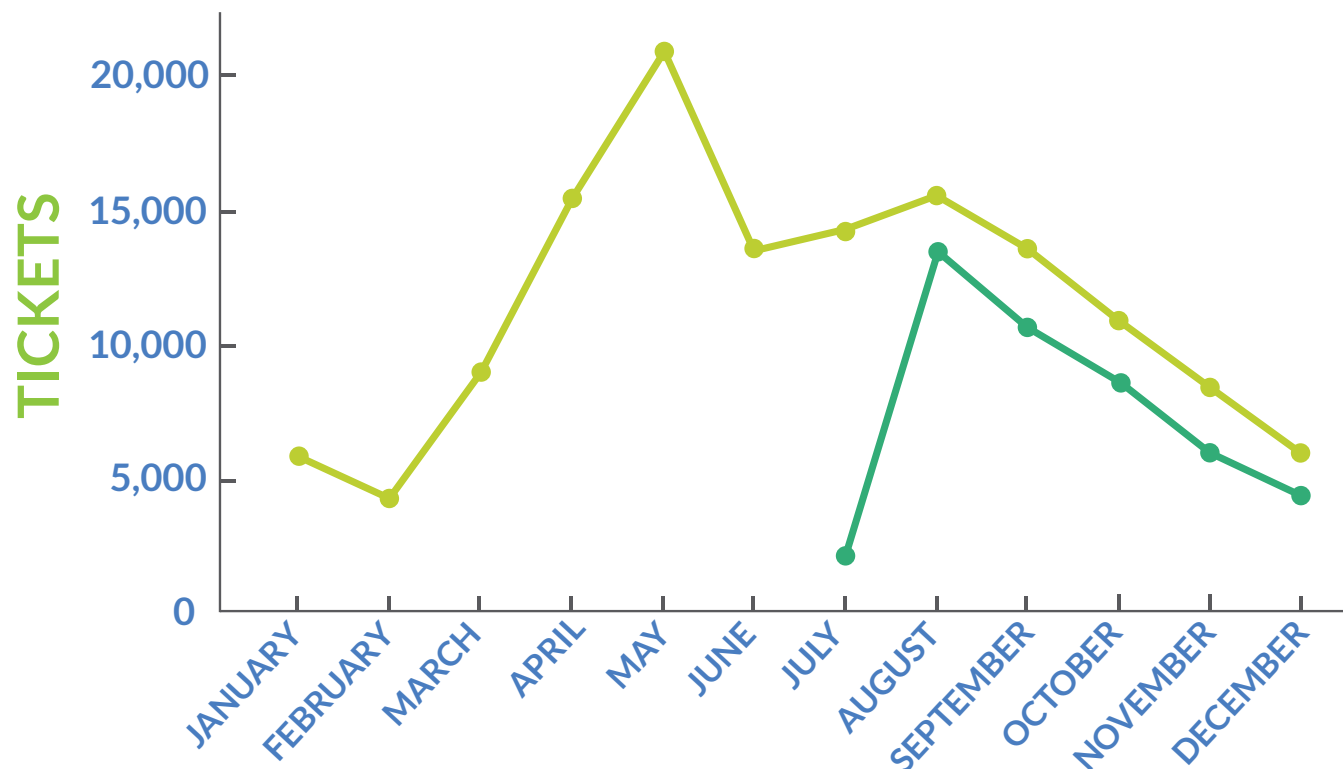
2020 SERVICE LEVEL

JANUARY:	0:45
FEBRUARY:	0:27
MARCH:	0:55
APRIL:	2:18
MAY:	3:56
JUNE:	3:59
JULY:	4:54
AUGUST:	4:51
SEPTEMBER:	3:32
OCTOBER:	3:16
NOVEMBER:	2:11
DECEMBER:	1:32

iDIG811 TICKETS

BY MONTH

iDIG811 MONTHLY TICKETS



2019 TICKETS

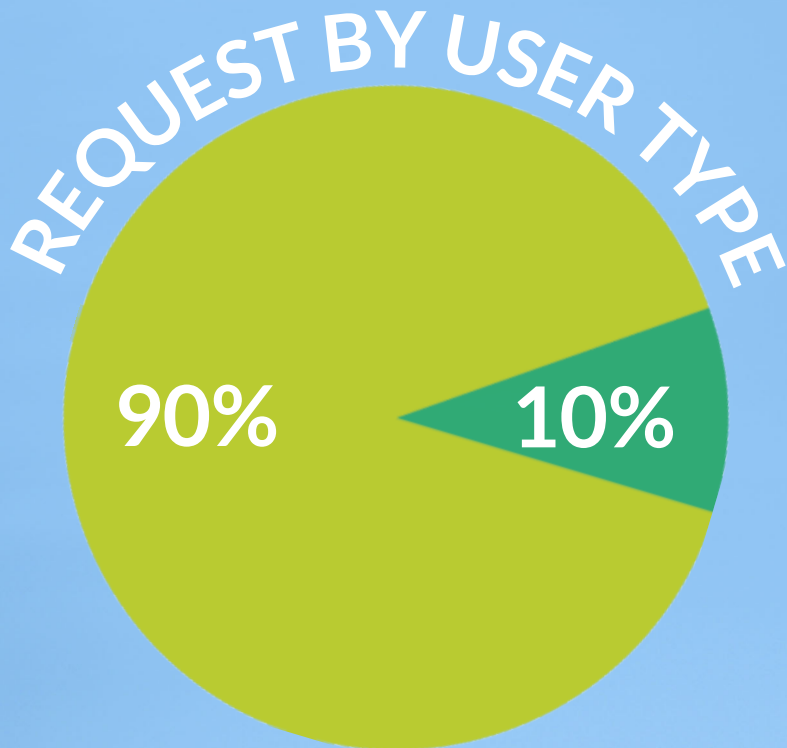
JULY:	1,243
AUGUST:	13,320
SEPTEMBER:	11,177
OCTOBER:	8,226
NOVEMBER:	5,648
DECEMBER:	4,372

Note: iDIG811 launched in July of 2019.

2020 TICKETS

JANUARY:	5,346
FEBRUARY:	4,540
MARCH:	8,760
APRIL:	15,108
MAY:	20,203
JUNE:	13,733
JULY:	14,339
AUGUST:	15,283
SEPTEMBER:	13,764
OCTOBER:	11,234
NOVEMBER:	8,084
DECEMBER:	5,615

REQUESTS BY USER TYPE

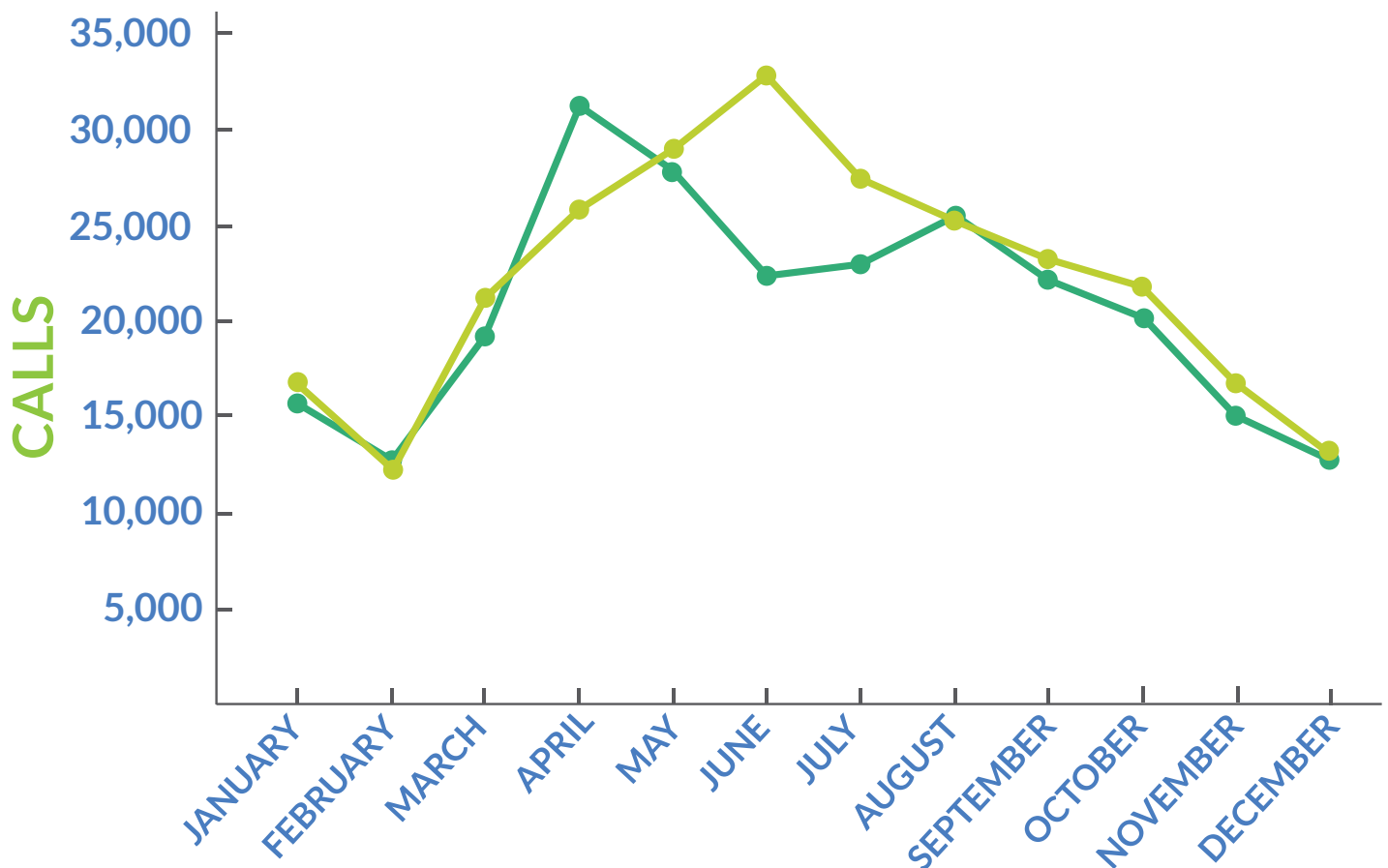


HOMEOWNER
104,396

PROFESSIONAL
EXCAVATOR
921,661

CALL TOTALS BY MONTH

MONTHLY CALL TOTALS



2019 CALL TOTALS

JANUARY:	15,148
FEBRUARY:	13,342
MARCH:	19,284
APRIL:	31,770
MAY:	28,260
JUNE:	22,378
JULY:	23,127
AUGUST:	25,123
SEPTEMBER:	22,314
OCTOBER:	20,071
NOVEMBER:	15,066
DECEMBER:	13,436

2020 CALL TOTALS

JANUARY:	16,361
FEBRUARY:	13,150
MARCH:	20,948
APRIL:	25,427
MAY:	29,657
JUNE:	32,792
JULY:	27,291
AUGUST:	25,090
SEPTEMBER:	23,618
OCTOBER:	21,381
NOVEMBER:	16,893
DECEMBER:	13,881

MEMBER RELATIONS

DEPARTMENT REVIEW

In 2020, Member Relations focused on the following projects:

1. Tier Two membership conversions to Tier One
2. Continual education to our membership on their responsibility to maintain compliance with Mandatory Positive Response and providing supporting documentation to excavators
3. Outreach and education regarding Automatic Positive Response Renotifications
4. Frequent updates to CO811 maintained GIS Data for ticket processing

Tier One Members

2,112

Tier Two Members

151

Excavator Members

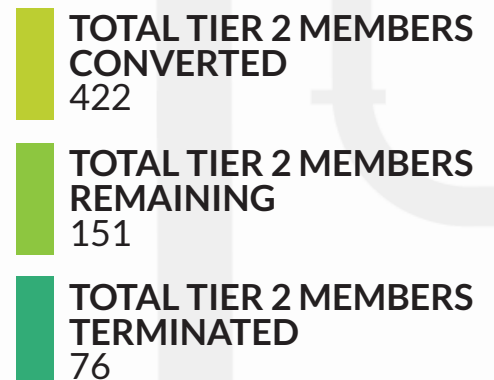
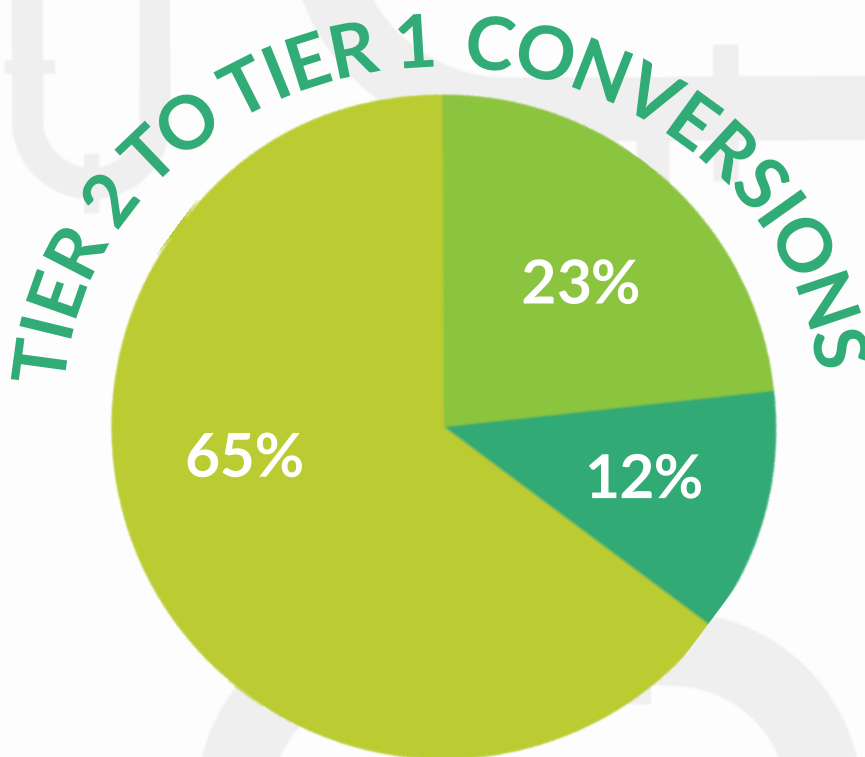
18

TIER TWO CONVERSIONS

Member Relations communicated with Tier Two members regarding the conversion deadline via e-mail, phone, letters and held virtual state-wide conversion meetings to discuss changes in legislation, conversion deadline, steps to convert and what to expect after conversion.

- Started the year with 459 Tier Two members.
- Successfully converted 232 Tier Two members to Tier One during 2020.
- 76 Tier Two members were terminated due to:
 - No longer owning/operating underground facilities
 - Duplicate memberships
 - Merged with existing Tier One membership
 - Termination due to no contact

151 Tier Two members remained at the end of 2020 and were notified that if the early conversion had not been started, they would automatically be converted to Tier One on January 1, 2021.

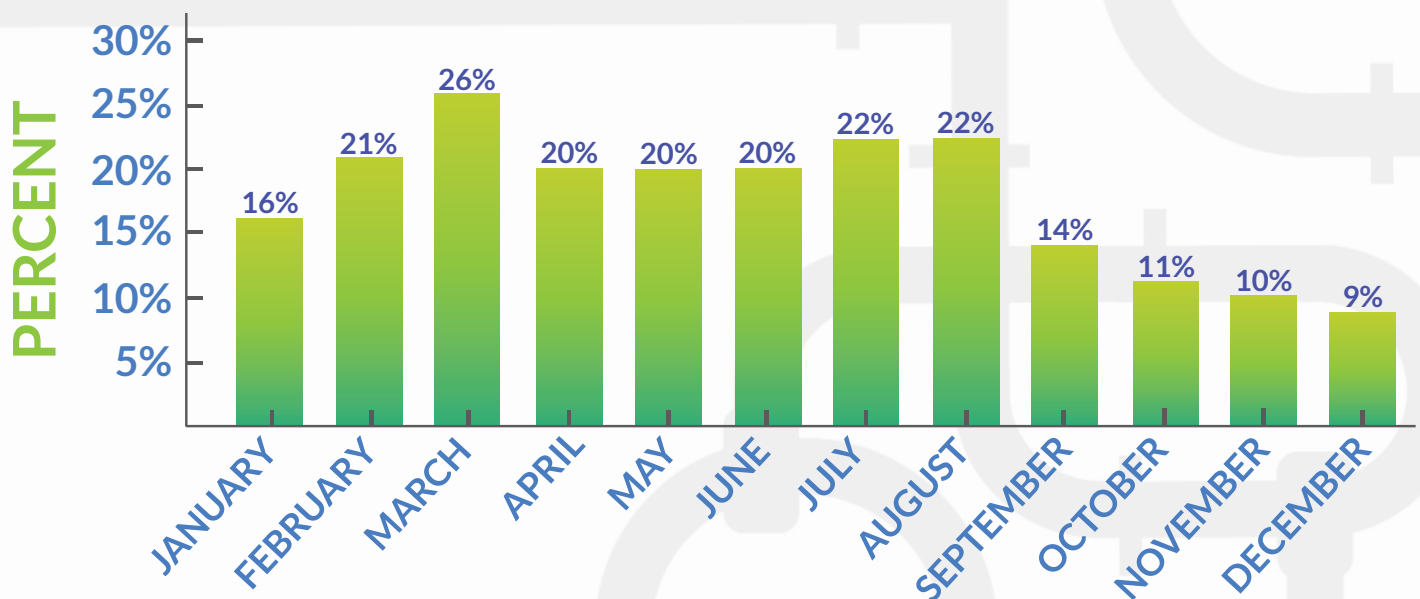


POSITIVE RESPONSE & POSITIVE RESPONSE RE-NOTIFICATIONS

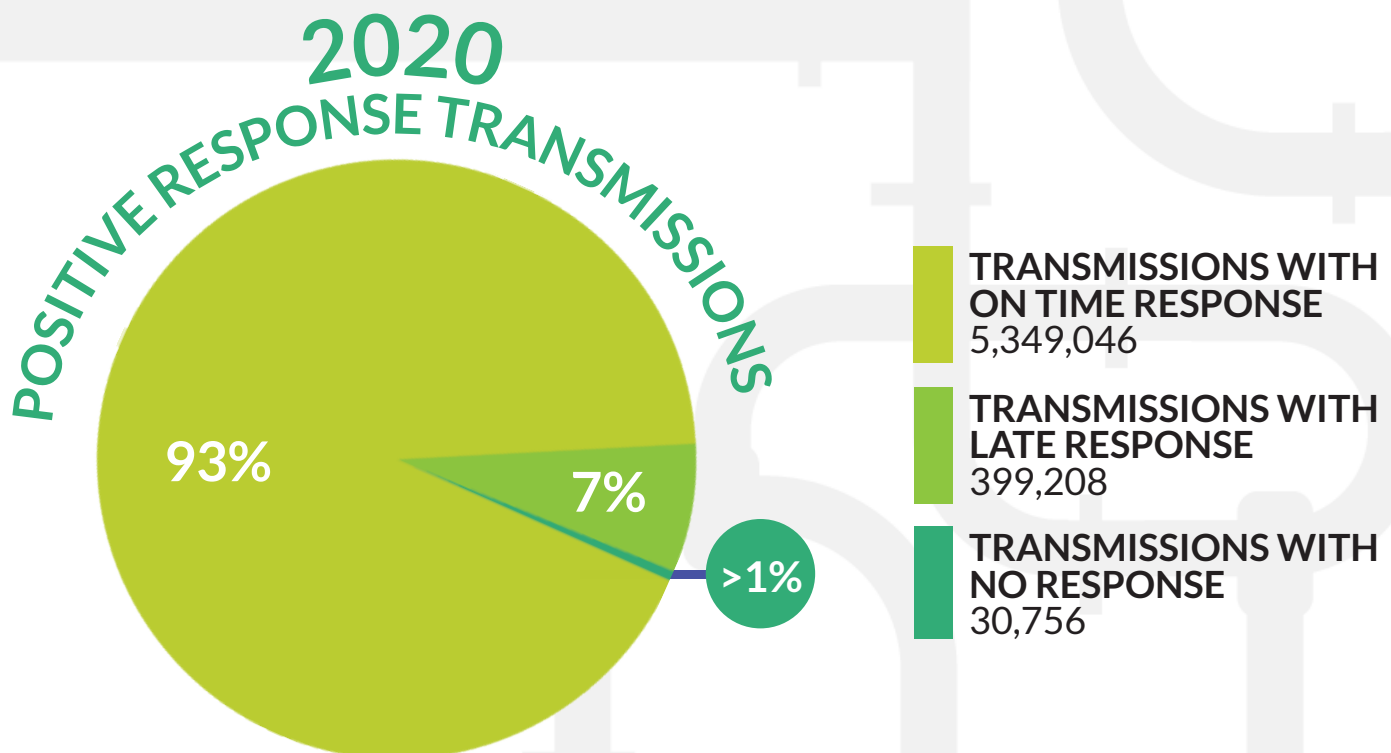
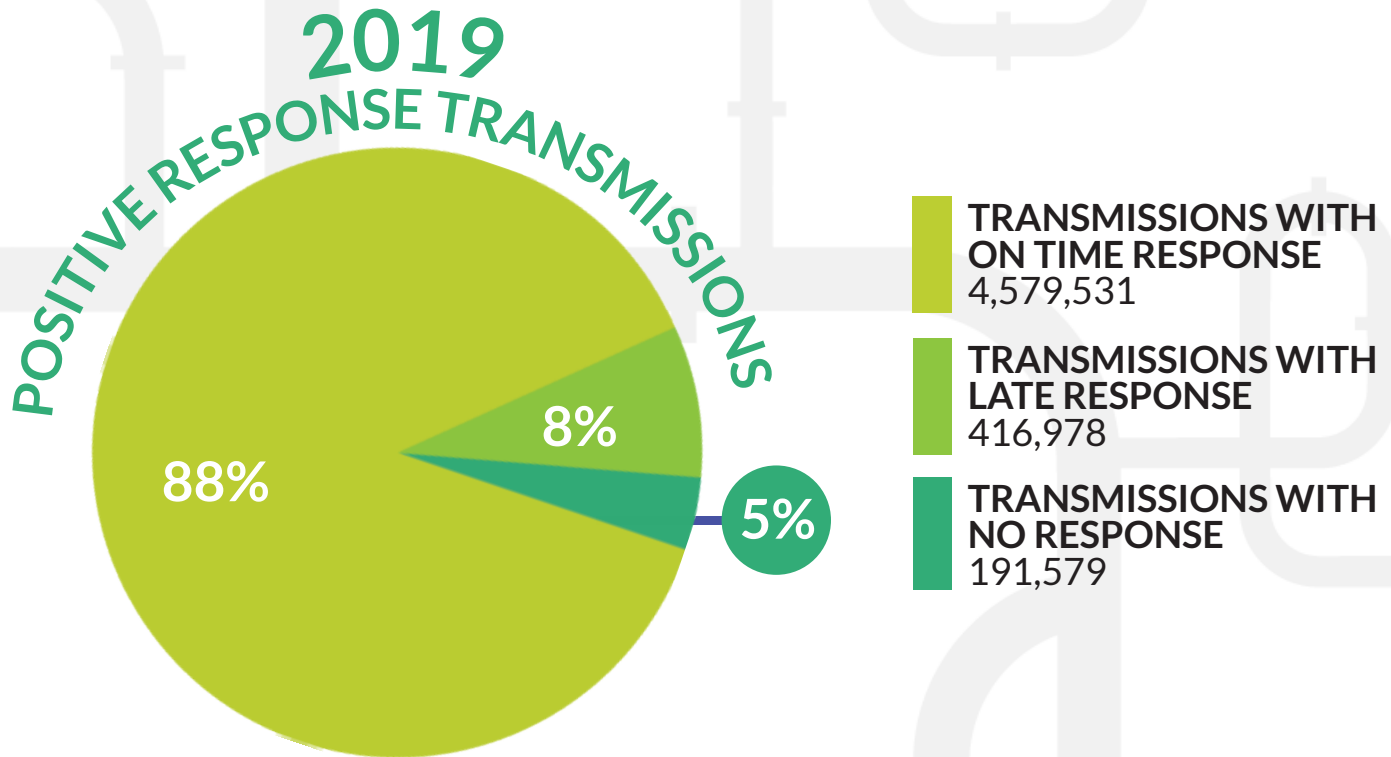
In 2020, Colorado 811 deployed functionality enabling users to upload and associate file attachments to Colorado 811 tickets and Positive Response submissions. We also began to renotify Tier One members who did not respond to excavation notices through Colorado 811 by the due date. The **Automatic Positive Response Renotifications** (APRRN, known as Late Notices) notify members just after the due date expires. The re-notifications deliver daily for 30 days or until a response is posted, whichever comes first.

- New applications were developed and deployed for Tier One Members to post responses and upload supporting documentation to excavation notifications.
 - User friendly, Positive Response posting page not requiring user credentials.
 - Positive Response website requiring user account credentials.
 - RESTful API, an application programming interface that allows for interaction with web services.
 - CO811 Web Ticket Management System offered to Tier One members.
- Enhancements were made to applications enabling stakeholders to view and download file attachments.
 - Member Delivery Output Email
 - Excavator Email Confirmation
 - Positive Response Email Confirmations
 - WebTMS (HTML Version)

APRRN PERCENTAGE OF TRANSMISSIONS

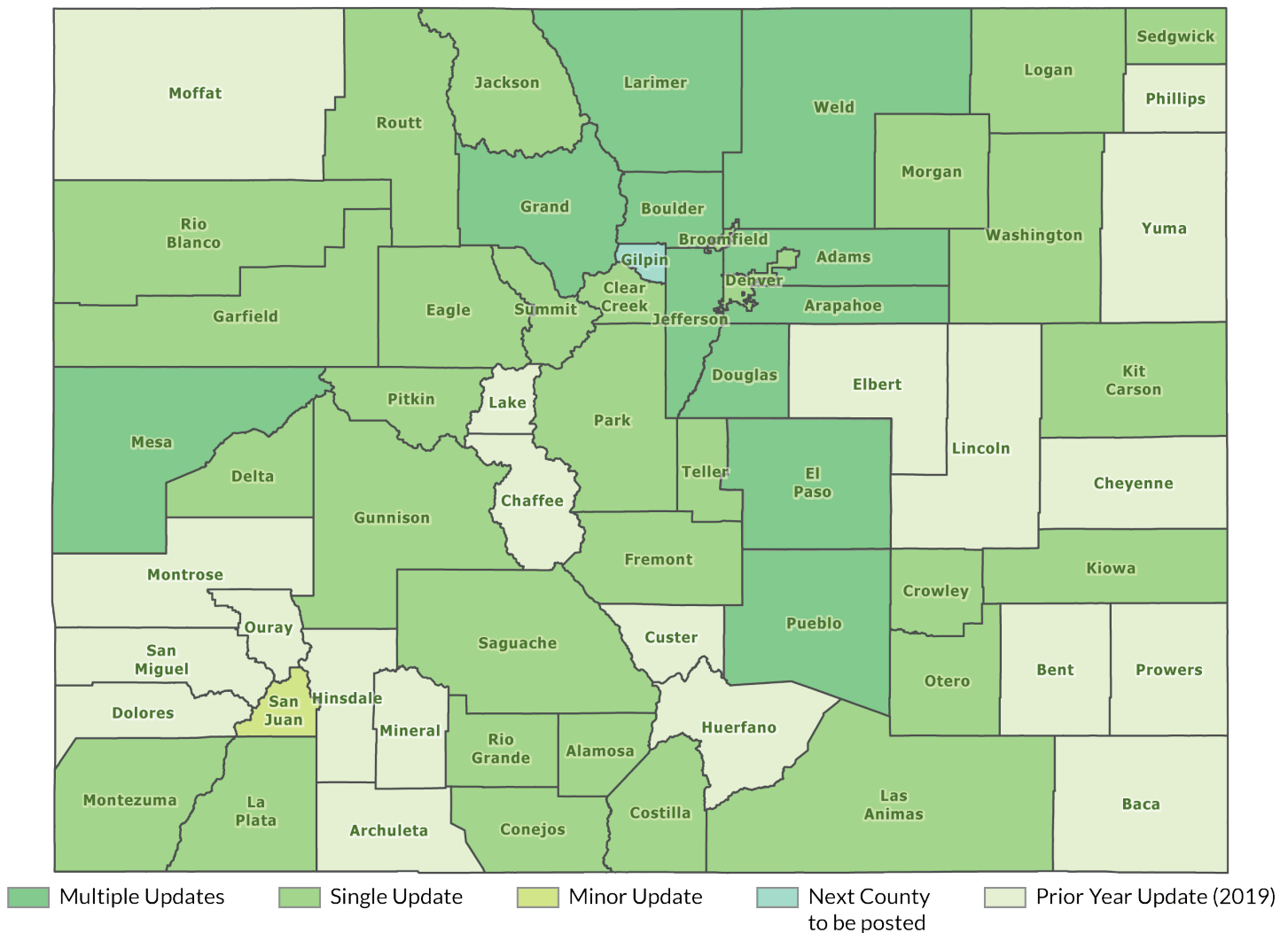


POSITIVE RESPONSE & POSITIVE RESPONSE RE-NOTIFICATIONS



GEOGRAPHICAL INFORMATION SYSTEMS MAP

2020 COUNTY UPDATES (66 TOTAL UPDATES)



COUNTY MULTIPLE UPDATE TOTALS

EL PASO:	7	DOUGLAS:	3
MESA:	4	LARIMER:	2
WELD:	3	ARAPAHOE:	2
ADAMS:	3	BOULDER:	2
PUEBLO:	3	GRAND:	2

DAMAGE PREVENTION

DEPARTMENT REVIEW

**WE ARE
HERE TO
SERVE
YOU.**

2020 without a doubt, will be remembered as a year full of challenges. The COVID-19 pandemic forced the damage prevention department to alter the plans and traditional education and awareness approach. We acted quickly by modifying all presentations to accommodate a virtual environment. The damage prevention liaisons continue to serve as a conduit between the excavators and facility owners. However, since March of 2020, indoor training sessions were minimal and outdoor events were still permissible as long as the attendees wore appropriate personal protective equipment and followed social distancing protocols. We encouraged our stakeholders to continue utilizing our safety-related services provided by our outstanding liaison team throughout the pandemic.



DAMAGE PREVENTION

DEPARTMENT REVIEW

Throughout the year, we focused on a new data-driven initiative to better understand the activity within all counties. In the future, the annual county report data publication will be revamped to include additional key performance indicators to target those specific counties that continue to experience a less than satisfactory grade. Our bottom line objective is to minimize or eradicate damage incidence and increase public awareness.

2020 MOCK LINE STRIKE VIDEO



Click the above image to view the video on YouTube.

Since most industry events were canceled in the year, my team and I had the vision to produce an epic, commercial-grade film emphasizing the danger of what can happen when safe digging practices are not observed. We hired a top-notch production video production company to help with this effort. Pre-production began in April, and filming concluded on October 1st. The four-minute film is an excellent resource that emphasizes and demonstrates how missing essential practices can lead to potential tragedy. I would personally like to thank the supporting sponsors and participants who committed to this endeavor. This product aims to seek and gain national attention that will change behavior and raise the bar about safety and your role in damage prevention!



Utility Notification Center of Colorado

Financial Statements

Years Ended December 31, 2020 and 2019

Utility Notification Center of Colorado

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Independent Auditor's Report

Board of Directors
Utility Notification Center of Colorado
Golden, Colorado

Opinion

We have audited the financial statements of Utility Notification Center of Colorado (the "Organization"), which comprise the statement of financial position as of December 31, 2020, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter - 2019 Financial Statements

The 2019 financial statements of the Organization were audited by ACM LLP, whose partners and professional staff joined BDO USA, LLP as of August 1, 2020, and has subsequently ceased operations. ACM LLP's report dated July 28, 2020 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

July 28, 2021

Utility Notification Center of Colorado

Statements of Financial Position

<i>December 31,</i>	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,739,640	\$ 7,257,359
Accounts receivable	844,852	632,800
Prepaid expenses and other current assets	148,377	192,328
Funds held in agency	31,230	34,301
Total current assets	10,764,099	8,116,788
Property and equipment, net	2,342,680	2,552,219
Investment in Norfield Development Partners	442,351	442,351
Computer software, net	154,566	148,908
Total assets	\$ 13,703,696	\$ 11,260,266
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 126,598	\$ 96,337
Accrued wages and benefits	243,297	194,220
Profit sharing contribution payable	312,977	293,796
Funds held in agency	31,230	34,301
Total current liabilities	714,102	618,654
Total liabilities	714,102	618,654
Commitments and contingencies		
Net assets		
Without donor restrictions:		
Board designated	6,634,812	6,444,061
Undesignated	6,354,782	4,197,551
Total net assets without donor restrictions	12,989,594	10,641,612
Total net assets	12,989,594	10,641,612
Total liabilities and net assets	\$ 13,703,696	\$ 11,260,266

See accompanying notes to the financial statements.

Utility Notification Center of Colorado

Statements of Activities

<i>Year Ended December 31,</i>	2020	2019
Changes in net assets without donor restrictions		
Operating revenues:		
Locate revenue	\$ 10,573,725	\$ 8,340,137
Grant income	-	100,000
Sponsorships	29,500	33,912
Membership dues	4,200	3,675
Total operating revenue	10,607,425	8,477,724
Cost of operations (program services)		
Direct labor	2,138,371	2,332,178
Telephone and communication	966,071	755,294
Employee benefits	526,896	662,181
Maintenance agreements	255,243	267,474
Profit sharing contribution	180,545	168,605
Payroll taxes	162,135	177,502
Depreciation	136,408	152,553
Information system supplies	118,171	91,481
Education and incentives	57,408	39,702
Amortization	47,623	28,644
Maps and publications	26,606	19,804
Total program service expenses	4,615,477	4,695,418
General and administrative expenses	3,718,263	3,893,791
Change in net assets from operations	2,273,685	(111,485)
Other income		
Software income, net	38,557	37,434
Interest income	34,960	75,738
Miscellaneous income	780	2,291
Other income	74,297	115,463
Change in net assets without donor restrictions	2,347,982	3,978
Net assets without donor restrictions- beginning of year	10,641,612	10,637,634
Net assets without donor restrictions- end of year	\$ 12,989,594	\$ 10,641,612

See accompanying notes to the financial statements.

Utility Notification Center of Colorado

Statements of Cash Flows

<i>Year Ended December 31,</i>	2020	2019
Cash flows from operating activities		
Received for locate revenue	\$ 10,361,689	\$ 8,451,783
Received for grant revenue	-	100,000
Received for sponsorships	29,500	33,912
Received for membership dues	4,200	3,675
Received for interest income	34,960	75,738
Received for other income	39,321	39,725
Paid for payroll and related expenses	(4,794,138)	(5,096,613)
Paid for supplier and vendors	(3,013,132)	(3,142,691)
Net cash flows from operating activities	2,662,400	465,529
Cash flows from investing activities		
Sales of investments	-	726,633
Purchases of property and equipment	(102,384)	(617,800)
Purchases of computer software	(77,735)	(45,000)
Net cash flows from investing activities	(180,119)	63,833
Net change in cash	2,482,281	529,362
Cash and cash equivalents at beginning of year	7,257,359	6,727,997
Cash and cash equivalents at end of year	\$ 9,739,640	\$ 7,257,359

See accompanying notes to the financial statements.

Utility Notification Center of Colorado

Statement of Functional Expenses

<i>Year Ended December 31, 2020</i>	Program Services	General & Administrative	Total
Salaries	\$ 2,138,371	\$ 1,423,495	\$ 3,561,866
Employee benefits	526,896	200,165	727,061
Profit sharing contribution	162,135	132,432	294,567
Payroll taxes	180,545	98,357	278,902
Subtotal	3,007,947	1,854,449	4,862,396
Advertising	-	187,375	187,375
Advertising - promotion	-	49,798	49,798
Amortization	47,623	-	47,623
Auto expense	-	28,544	28,544
Bad debt expense	-	533	533
Contributions	-	2,400	2,400
Depreciation	136,408	175,515	311,923
Dues and publications	26,606	21,836	48,442
Education and training	57,408	20,506	77,914
Information system supplies	118,171	-	118,171
Insurance	-	67,647	67,647
Legal fees	-	74,745	74,745
Building maintenance/utilities	255,243	69,197	324,440
Miscellaneous expenses	-	14,620	14,620
Office expenses	-	37,877	37,877
Postage	-	3,606	3,606
Professional fees	-	616,671	616,671
Rent - equipment and furniture	-	593	593
Repairs and maintenencen	-	89,280	89,280
Telephone and communication	966,071	343,585	1,309,656
Travel and entertainment	-	59,486	59,486
Total expenses	\$ 4,615,477	\$ 3,718,263	\$ 8,333,740

See accompanying notes to the financial statements.

Utility Notification Center of Colorado

Statement of Functional Expenses

<i>Year Ended December 31, 2019</i>	Program Services	General & Administrative	Total
Salaries	\$ 2,332,178	\$ 1,323,379	\$ 3,655,557
Employee benefits	662,181	260,584	922,765
Profit sharing contribution	168,605	125,192	293,797
Payroll taxes	177,502	93,264	270,766
Subtotal	3,340,466	1,802,419	5,142,885
Advertising	-	282,287	282,287
Advertising - promotion	-	44,245	44,245
Amortization	28,644	-	28,644
Auto expense	-	39,947	39,947
Bad debt recovery	-	802	802
Building maintenance/utilities	-	83,269	83,269
Contributions	-	6,250	6,250
Depreciation	152,553	176,333	328,886
Education and incentives	39,702	8,501	48,203
Information system supplies	91,481	-	91,481
Insurance	-	59,203	59,203
Legal fees	-	101,271	101,271
Maintenance agreements	267,474	104,280	371,754
Maps, dues and publications	19,804	21,718	41,522
Miscellaneous	-	20,973	20,973
Office expenses	-	7,631	7,631
PHMSA grant expenditures	-	100,000	100,000
Postage	-	1,878	1,878
Professional fees	-	586,751	586,751
Rent - equipment and furniture	-	593	593
Telephone and communication	755,294	245,612	1,000,906
Travel and entertainment	-	199,828	199,828
Total expenses	\$ 4,695,418	\$ 3,893,791	\$ 8,589,209

See accompanying notes to the financial statements.

Utility Notification Center of Colorado

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Activities

Utility Notification Center of Colorado (“UNCC” or the “Organization”) is a nonprofit organization incorporated in the State of Colorado on June 11, 1986. UNCC 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 UNCC’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, UNCC 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, 2020 or 2019, UNCC has no net assets with donor restrictions.

Cash and Cash Equivalents

Management considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Board Designated Cash

The board has designated certain assets for future use as outline in Note 7. Board designated cash consists of cash and highly liquid investments available for use with an initial maturity of three months or less to be cash equivalents.

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, 2020 or 2019. However, actual write-offs could exceed management’s estimate.

Utility Notification Center of Colorado

Notes to Financial Statements

Funds Held in Agency

The Organization held \$31,230 and \$34,301 at December 31, 2020 and 2019, respectively, in an account under UNCC's name for the benefit of the North American Telecommunications Damage Prevention Council ("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 two or more years. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 2 to 30 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 statement 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 3 to 5 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 cashflows from the use and eventual disposal. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statement of activities, to its current fair value. Management believes there were no indications of impairment and therefore no impairment losses were incurred during the Years Ended December 31, 2020 and 2019.

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 year ended December 31, 2020 and 2019.

Locate Revenue: There are three types of memberships offered at the UNCC: 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

Utility Notification Center of Colorado

Notes to Financial Statements

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 \$1.49 and \$1.42 for each notification received from UNCC and referred to as a ticket during the years ended December 31, 2020 and 2019, respectively;

- Tier Two members register a company name, define a service territory or notification area and provide a single phone number for contact. Tier Two members are not directly notified by the call center. When appropriate UNCC requests that the caller/excavator call the Tier Two directly. It is the excavator's responsibility to make Tier Two members aware of proposed excavation. There is no fee for Tier Two members;
- 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 UNCC Board of Directors as well as access to the Expedite website.

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 UNCC system and recognition is recognized at such the time the member is established.

Grant Income

During 2019, the Organization was awarded reimbursable grant funds from the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration ("PHMSA") totaling \$100,000 to fund damage prevention and awareness programs.

The Organization recognizes reimbursable grant income as expenses are incurred. Any funds received in advance are deferred until allowable costs are incurred in compliance with the grant agreement. During 2019, the Organization recognized grant revenue and expenditures totaling \$100,000. There was no deferred grant revenue at year end.

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, 2020 and 2019.

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Advertising

The Organization expenses advertising and promotion costs as they are incurred. Advertising costs totaled \$237,173 and \$326,532 during the Years Ended December 31, 2020 and 2019, 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 \$38,557 and \$37,434 during the Years Ended December 31, 2020 and 2019, respectively, in connection with this agreement.

Income Taxes

UNCC 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, 2020 and 2019.

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 2018, based on the related statute of limitations.

Fair Value Measurements

The Organization follows methods of fair value measurement described under Accounting Standard Codification 820, *Fair Value Measurements and Disclosures*, ("ASC 820") which establishes a common definition of fair value to be applied with existing GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

Fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability, rather than an entity-specific measure. Therefore, when market assumptions are not readily available, the Organization's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's estimates about the assumptions market participants would use in pricing the asset developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1: Defined as observable inputs such as quoted prices in active markets for identical assets or liabilities;

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- Level 2: Defined as observable inputs other than Level 1 prices. These include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;
- Level 3: Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Equity Securities without Readily Determinable Fair Values

UNCC 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 \$442,351 at December 31, 2020 and 2019. The Company 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 Company 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, UNCC 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, 2020, there were no material impairments noted by management.

Financial Instruments and Credit Risks

For the years ended December 31, 2020 and 2019, respectively, the Organization had approximately \$4,395,000 and \$3,375,000 of locate revenue (approximately 40% of locate revenue for the period) from three members, each greater than 10%. At December 31, 2020 and 2019, the Organization had approximately \$180,000 and \$246,000 of accounts receivable (21% and 39% of total accounts receivable) due from these members.

The Organization manages cash deposit concentration risk by placing temporary cash and money market accounts 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 \$602,000 and \$760,000 were uninsured as of December 31, 2020 and 2019, 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 \$8,800,000 and \$6,099,000 are included in cash and cash equivalents in the statement of financial position at December 31, 2020 and 2019, respectively.

Utility Notification Center of Colorado

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with GAAP requires UNCC 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 revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences could be material.

Recently Issued Accounting Pronouncements

In February of 2016, the FASB issued ASU 2016-02, Topic 842, *Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2021 and interim periods with fiscal years beginning after December 15, 2022. Management is currently evaluating the impact of adoption of this standard on its financial statements.

2. Availability of Resources and Liquidity

The following represents the Organization's financial assets at December 31, 2020 and 2019:

<i>December 31,</i>	2020	2019
Cash and cash equivalents	\$ 9,739,640	\$ 7,257,359
Accounts receivable	844,852	632,800
Financial assets available to meet general expenditures over the next year	\$ 10,584,492	\$ 7,890,159

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 \$125,650 to meet cash flow needs. Note that the assets above are subject to board designations of \$6,634,812 and \$6,444,061, respectively, as outlined Note 7.

Utility Notification Center of Colorado

Notes to Financial Statements

3. Property and Equipment, Net

Property and equipment consist of the following at:

<i>December 31,</i>	2020	2019
Land	\$ 304,162	\$ 304,162
Building and improvements	2,236,412	2,220,810
Computer equipment	885,412	861,526
Office equipment	925,966	990,499
Office furniture	369,520	364,705
Vehicles	289,233	289,233
Construction in progress	585,716	544,140
	5,596,421	5,575,075
Less: accumulated depreciation	(3,253,741)	(3,022,856)
Net property and equipment	\$ 2,342,680	\$ 2,552,219

4. Computer Software, Net

Computer software consisted of the following at:

<i>December 31,</i>	2020	2019
Computer software	\$ 923,385	\$ 870,105
Less: accumulated amortization	(768,819)	(721,197)
Net computer software	\$ 154,566	\$ 148,908

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. During 2015, Norfield admitted one additional member and reduced the Organization's ownership in Norfield to 9.88%. 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 2020 and 2019, the Organization paid Norfield approximately \$170,000 and \$206,000 respectively, for services performed.

Utility Notification Center of Colorado

Notes to Financial Statements

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 UNCC are limited to a maximum of 15% of compensation and are subject to discrimination requirements. The employee vests in UNCC contributions over a five-year period. For the years ended December 31, 2020 and 2019, UNCC contributed 10% of eligible employees’ wages to the Plan, totaling \$312,977 and \$293,797, respectively.

7. Board Designated Net Assets

The Organization’s Board of Directors has designated net assets as follows:

<i>December 31,</i>	2020	2019
Health Care Fund	\$ 133,033	\$ 196,069
Legislative Fund	658,654	718,405
Capital Planning Fund	1,890,476	1,580,236
Business Continuity Fund	3,952,649	3,949,351
Total board designated net assets	\$ 6,634,812	\$ 6,444,061

8. Employee Health and Welfare Plan

Effective April 1, 2016, the Organization adopted the PSF Voluntary Employee Benefit Plan (“Health Plan”), a multiemployer health and welfare plan, through One Calls of America (“OCA”) wherein all medical, pharmacy, and dental benefits are partially self-insured. A PSF VEBA Trust Account (“Trust”) is held for the benefit of participants under the Health Plan and used to pay all medical, pharmacy, prescription and dental benefits. The claims for partially self-insured benefits are processed by the Health Plan’s third-party administrator under an administrative services arrangement. Ultimate responsibility for payments to providers and participants is retained by the Trust. The plan was terminated effective July 31, 2019 and the Trust was closed in December 2020.

9. Risks and Uncertainties

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. As a result of the spread of the COVID-19, public events have been limited, and economic uncertainties have risen which could have a negative financial impact on membership revenue. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the Organization’s customer base will be affected is also uncertain. Therefore, while we do not expect this matter to negatively impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

Utility Notification Center of Colorado

Notes to Financial Statements

10. Subsequent Events

The Organization has evaluated subsequent events through July 28, 2021, the date which these financial statements were available to be issued. There were no events requiring disclosure.