



Utility Notification
Center of Colorado

2023 ANNUAL REPORT



TABLE OF CONTENTS

Executive Director Message	3	Year-End Data At-A-Glance	12
Revised Mission, Vision, and Goal Statement	4	2023 Emergency Tickets	12
Board of Director Members & Executives	5	2023 Total Tickets by Source	14
Contact Center	6	Monthly Average Speed of Answer – ASA	15
Member Relations	7	Ticket Request by User Source Type	16
Information Technology	8	2023 Monthly Call / Contact Totals	17
Human Resources & Facility Management	9	2023 Automatic Positive Response Re-Notification Percentage of Ticket Transmissions (APRRN)	18
Education & Damage Prevention	10	Mapping Data Update	19
Where Did Your Fee Payments Go?	11	Financial Statement	20





EXECUTIVE DIRECTOR REPORT

Dear Members and Stakeholders,

For those of you who have not met me, I would like to introduce myself. I am Claudia Randall, and I proudly serve as the Colorado 811 Executive Director since May of 2023. During my tenure with Colorado 811, I have had the privilege to get to know many of you, including our exceptional Board of Director and staff members. Together we have diligently worked on improving the organization to continue to help provide a safe environment for all Colorado residents and damage prevention professionals engaged in excavation. 2023 was a busy and exciting year!

In 2023, Colorado 811 welcomed an extraordinarily talented slate of new Board of Director and staff members who worked tirelessly in concert with me and existing Board members on establishing a fully revised Colorado 811 Mission, Vision, and Goal set as a foundation for a for a new 3-year Strategic Plan that is focused on once again catapulting Colorado 811 forward to becoming a dynamic 811 notification center that optimally serves our members and Colorado residents with efficiency, accuracy, and pride.

The newly designed Colorado 811, three-year Strategic Plan includes six, precisely defined business goals:

- **Education** – Educate Industry Professionals and Colorado Residents alike on CO811 Services, Damage Prevention Best Practices, the Colorado One-Call Law, and the benefits of utilizing CO811. Improve public and professional welfare and communicate the importance of preventing underground damage.
- **Membership** – Increase professional membership through focused outreach in professional communities -offering exceptional member value, services, and resources.
- **Collaboration** – Collaborate with local, state, national organizations, businesses, and municipalities to expand the reach of damage prevention education efforts, provide public welfare training, and increase participation in CO811.
- **Technology** – Improve the ease-of-use of ticket entry, project management, self-service, agent communication, transmission, and project management systems in Colorado to improve data flow and participation in CO811, decrease underground damages, and improve internal operations.
- **Operational Governance** – Act with Duty of Care, Loyalty, and Obedience to CO811. Avoid conflicts of interest, apply lawful and ethical behavior, understand leadership & fiduciary responsibility, implement best practices, follow policies, Bylaws, Articles, and procedures of the organization.

- **Communications & Growth** – Tailor messaging to audiences, motivate & expand market reach, build public awareness, and communicate safety and damage prevention measures for stakeholder welfare.

During 2023, guided by the new Strategic Plan, Colorado 811 focused on and will continue to deliver on the objective of a fully retooled notification center to improve our services today and scale them for the future. This large enterprise project included a full review of the centers business units, and the creation of operational plans and KPIs for all departments, the assessment of staffing needs, a review of the technology infrastructure, the educational content portfolio, membership benefits portfolio, governance documents, data, processes, and partnership requirements.

Post review period, we identified next steps and started projects to replace our aging ticket entry systems and IT infrastructure with a more user friendly, cloud-based, efficient, and secure environments. We hired new team mates to supplement our existing staff base, including a Business Intelligence Analyst to develop a plethora of BI dashboards for all business units to focus on a data-driving decision-making method across the organization that contributed to improvements in ticket quality, voice call hold times, automation, mapping and GPS features and bilingual options to serve all stakeholder audiences equally.

Colorado 811 also improved transparency in governance and financial management processes and welcomed a new accounting and two legal firms into the organization that help lead projects that restructured the budgeting process, financial reports, the reserve portfolio, and governance documents to comply with laws and regulations in a transparent manner and protect operations.

The foundation of all activities during 2023 was that Colorado 811 started a new three-year transitional journey with the end goal of becoming one of the best 811 Call Centers in the nation. As they say: "It takes a Village" to reach big goals, and I hope we can continue to count on your support to help us hit this target goal together.

Thank you for your continued support, assistance, and advice.
Sincerely,



Claudia Randall, MBA
Executive Director of Colorado 811



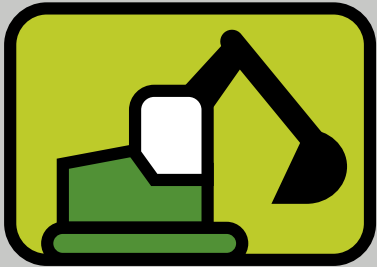
COLORADO 811

Revised Mission – Vision – Goal Statement



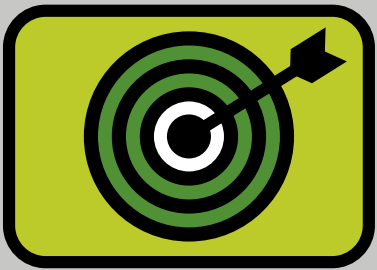
OUR MISSION

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



OUR VISION

No excavation without a notification.



OUR MAIN GOAL

Be the best 811 Contact Center in the nation.



ABOUT COLORADO 811

Utility Notification Center of Colorado

The Utility Notification Center of Colorado ("UNCC", "CO811", "Colorado 811"), is a 501(c)4 nonprofit organization established in 1986 to serve as the communications link and notification association responsible for managing all communications between owner/operator utility companies, excavators, the public, and other stakeholders to protect Colorado's underground utility 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 and notification association that manages communications between utilities and anyone requesting an area to be located/marked to identify the location of public underground utilities.

Colorado 811 2023 Board of Directors



Claudia Randall
CO811 Executive Director



Jonathan Moore
CO811 Board Chairman
Government – Fountain
Sanitation District



BJ Hartley
CO811 Vice Chairman
Gas Distribution –
Black Hills Energy



Matt Norton
CO811 Board Treasurer
Liquid Pipeline –
Williams Company



Sean Frech
CO811 Board Secretary
Special Director –
Colorado Springs Utilities



Matt Steadman
CO811 Board Member
Cable TV – Comcast



Anthony Thomas
CO811 Board Member
Water & Sewer –
Denver Water



Nolan Snyder
CO811 Board Member
Communications –
Century Link/Lumen



Cy Wagner
CO811 Board Member
Electric Distribution –
Xcel Energy



Terryl Jensen
CO811 Board Member
Electric Co-Operative –
Mountain View
Electric Association



Mark Hornsby
CO811 Board Member
Gas Transmission –
Colorado Interstate Gas
c/o Kinder Morgan



Annemarie Bluff
CO811 Board Member
Excavator –
Authentic Drilling, Inc.



CONTACT CENTER

Colorado 811 proudly manages more than a million tickets per year. Our Call Center Agents core responsibility focuses on receiving locate requests and transmitting accurate and fast transmissions to our owner/operator utility members.

In 2023 the Colorado 811 Contact Center saw improvement and development in several operational and strategic growth areas. Through the implementation of innovative technology, the emphasis on recruitment and retention of team members, and a focus on processes and procedure development vital to our strategic goals, we are pleased to share that we improved our call center operational areas significantly throughout the year.



We saw an improved average speed of call answer in 2023 of approximately 49% over the previous year 2022, due to a combination of the implementation of a new phone system (Five9) and other workforce management tools that allowed for better visibility and coordination of personnel. Additionally, employee retention increased by 31% year over year. This allowed the Contact Center area to train and develop our team skill sets for a more robust and complete customer experience.



We streamlined processes within Quality Assurance of ticket submissions and Online Service Options to allow for higher quality of transmissions and more efficiency. This is an ongoing and continued focus through 2024 and 2025 as we continue to improve our QA improvement processes.



We have increased resources to serve the Colorado Spanish speaking damage prevention community. We have identified a website translation service to be launched early 2025, have hired several bi-lingual contact center and damage prevention team members, and are working towards the goal of having a bilingual option for our callers with an interpretation service available as needed in early 2025.



MEMBER RELATIONS

The **Colorado 811 Member Relations** team is committed to enhancing member experiences through outstanding customer service, providing knowledge base resources, and supporting our members by maintaining accurate underground facility maps, location, and contact information.

In 2023, the Member Relations Team served 2,312 facility owner/operator members and twenty-six excavator members and provided customer service by resolving more than 13,000 member support requests, including general membership questions/support, assisting with member contact updates, facility location information, and more.

The Member Relations Team also maintains, acquires, and updates CO811 street mapping information. In 2023, this team updated information submitted by forty-seven counties, received new and updated mapping information, with numerous counties receiving multiple updates throughout the year. Overall, the team implemented more than 15,000 new streets, 150,000 new parcel boundaries, and 130,00 address points to assist with finding the location of facilities pre-excavation within the Colorado 811 ticket system.



Project Highlights:

➔ **Deployment of Online Learning Course** – Launched a new member onboarding course highlighting CO811 services, policies, and procedures, to support members in staying in compliance with the Colorado Excavation Requirements Law (Title 9, Article 1.5 Excavation Requirements, also referred to as the Colorado “One Call” law .)

➔ **Sunset of CO811 Web Ticket Management System** – Throughout 2023 Member Relations supported over two hundred companies in transitioning away from the Web Ticket Entry Management System. All member companies were successfully migrated by October 2023, and the Web Ticket Management System was retired.

➔ **We are happy to report that Colorado 811 registered and onboarded** eighty-nine new owner/operator members throughout 2023 and assisted 83 members terminate their membership by facilitating a collaborative environment during mergers and acquisitions and migrated small facility owner/operator members from fax delivery to email delivery for excavation notices.

2024 Project Sneak Peek

➔ **Enhance Communication** – Launch a new member newsletter to improve communication efforts to keep stakeholders informed and engaged. Launch a new website and mobile application, with online chat capabilities.

➔ **Proactive Outreach** – Increase proactive outreach to update and maintain member information, maps, and expand member self-service resources to ensure accuracy and speed of engagement and data.



INFORMATION TECHNOLOGY

At Colorado 811, the **Information Technology Team** is dedicated to delivering technology solutions that align with our stakeholders' needs, organizational goals, the Strategic Plan, and the latest in emerging technologies, with a clear focus on quality, reliability, and resilience. Our mission is to empower damage prevention stakeholders to be more efficient, accurate, secure, and connected by prioritizing the development of a high-quality communications platforms, self-service and customer software solutions, and robust cybersecurity tools. Colorado 811's adaptable technology strategy allows for meeting shifting priorities, navigate budgetary constraints, and embrace technological advances while fulfilling stakeholder requirements.

Project Highlights:



Updated Network – Colorado 811 successfully deployed a new enterprise-wide network to meet the evolving needs of our hybrid workforce. Recognizing that the previous IT network setup was no longer sufficient and too expensive, we implemented a Secure Access Service Edge (SASE) solution in 2023 to cater to all users. SASE is a cloud-based IT architecture that integrates network and security services into one unified solution. It is specifically designed to provide secure access to corporate applications, data, and services, ensuring the safety and efficiency of hybrid workers. The SASE network solution enhances accessibility, security, visibility, and manageability. The new SASE network encompasses features such as SD-WAN, Firewall as a Service, Data Loss Prevention, identity management, and zero-trust security gateways. These components work together to protect Colorado 811 from Cyber threats and ensure data and applications remain secure. This deployment marks a significant step forward in our commitment to providing a secure and efficient IT environment for all stakeholders.



Contact Center Phone System – Colorado 811 implemented a new phone system and Contact Center solution. The new system, Five9, is a cloud-based Contact Center platform designed to enhance customer service and deliver superior results. Five9 enables us to efficiently manage inbound, outbound, and multichannel customer interactions. The platform includes a variety of features such as chat options, call recording, intelligent omnichannel routing, call quality monitoring with silent agent conversation monitoring, "Do Not Call" compliance, robust reporting, and on-screen caller information for agents. In addition to the new system, we also integrated Workforce Optimization (WFO) and Workforce Management (WFM) tools. These tools help build agent schedules, manage timelines, forecast demand, and handle staff details. Colorado 811 continues to expand its use of Five9 features, exploring additional communication channels and optimizing processes to enhance Contact Center operations.

2024 Project Sneak Peek

As we look ahead to 2024, the Technology Department has plans to explore new communication channels, including SMS, chat, and innovative API integrations with stakeholder computer systems. You can expect enhanced security measures, such as expanded multifactor authentication, data inspections, more self-service features, and more. Additionally, we will be deepening our cloud initiatives to further improve Colorado 811's IT infrastructure.

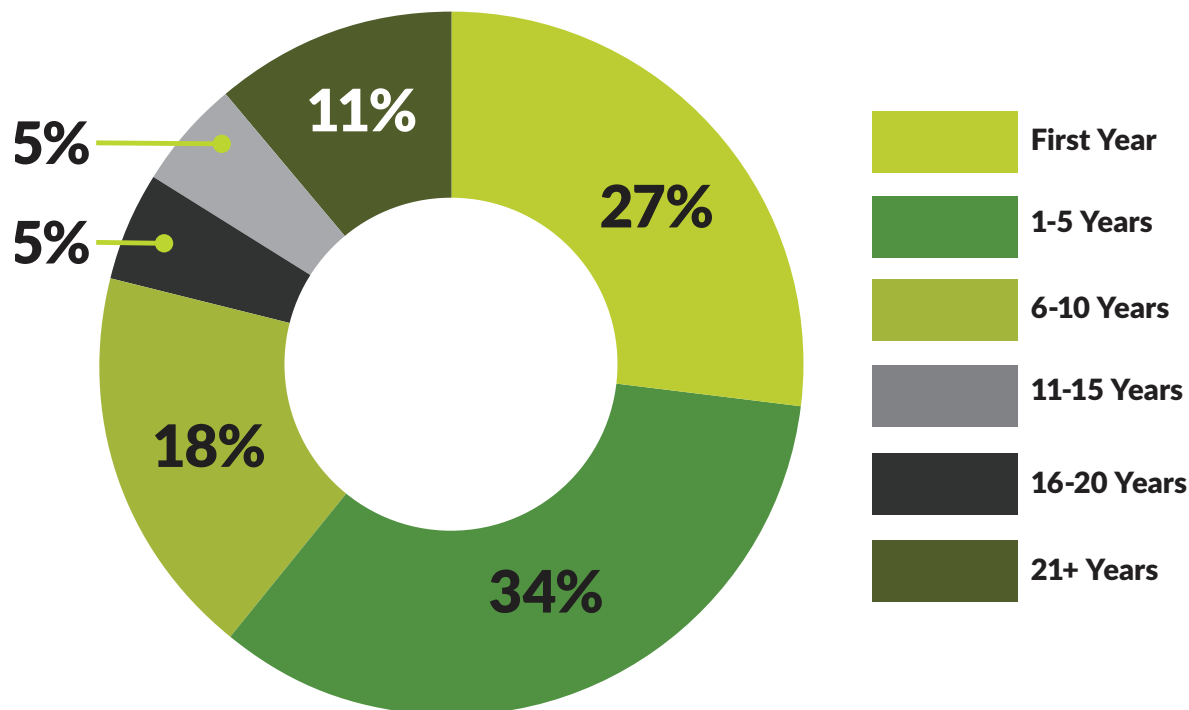


HUMAN RESOURCES & FACILITY MANAGEMENT

The **Human Resources Department** focused on filling the skillset gaps in several areas of the organization to better serve our stakeholders. During the past twelve months we have strengthened and grown our Quality Assurance, Marketing, Contact Center, Data Analysis, IT, and Education teams. Many of our efforts and projects resulted from a newly designed Strategic Plan and organizational direction, including retooling company policies and guidelines, as well as maintaining a robust and cost-effective benefits package, paired with an employee forward culture which included launching a staff feedback tool, All Voices. To serve team members more effectively, Colorado 811 also revised a number of policies, guidelines, and internal processes such as leave, PTO, Jury Duty, and other policies.

The Colorado 811 facility in Golden, Colorado is the headquarters location of the Notification Association. As with any facility, constant maintenance provides a functional Call Center facility that ensures optimal operations. During 2023 we repaved the parking lot to ensure a safe site accessible for both our employees and visiting members. We refurbished the kitchen and lunchroom space, replaced lighting fixtures with LED bulbs for energy conservation and compliance with the Colorado's Clean Lighting Act, and repainted and reorganized various building areas to optimize the floorplan. **Looking ahead to 2024/2025, we are strategizing to create publicly available training rooms for our members and stakeholders in unutilized areas of the building.**

Colorado 811 Staff Team Years of Service





EDUCATION & DAMAGE PREVENTION

In 2023, the **Education & Damage Prevention** area received a renewed focus to play a more critical role in providing standardized damage prevention focused education throughout the State of Colorado to all stakeholder segments.

The team delivered a range of educational services including presenting the well-known *CO811 101/102 classes*, *Improving Communications with CO811*, and *Web Ticket Entry*. The team participated in meetings of the local Association of Damage Prevention Council, Paradigm Corporation meetings and served as a resource for stakeholders state-wide by offering on-demand education, conducting toolbox/tailgate meetings, participating in industry meetings, and working with member service team mates to on-board new member companies. The team has successfully executed a diverse range of educational and outreach initiatives, enhancing the engagement with stakeholders and the community.

The Colorado 811 Education & Damage Prevention team hosted two Excavator Breakfasts and conducted a Mock Line Strike as part of a Construction Career Day in Grand Junction, Colorado, educating 130 students and engaging local stakeholders about safe digging best practices. Educational efforts extended to partnering with various utility companies and other stakeholders to provide 811 education and awareness and established new partnerships with local community colleges, trade schools, and academies to deliver recurring educational programs and outreach initiatives included distributing 811 service awareness banners across the state in collaboration with fire departments. We maintained a strong presence at Home and Garden Shows and Fairs state-wide, further promoting the 811 missions and celebrated August 11 (811 Day) by connecting local project crews fostering goodwill and reinforcing our community ties.

Project Highlights:



New 811 Vehicles: Colorado 811 upgraded its aging field vehicles to new Subaru Foresters, enabling our team to continue to reach communities more efficiently and safely.



Focus on Homeowner Outreach – With a renewed residential outreach program, Colorado 811 focuses on educating children and adult residents about safe excavation practices through various in-person local events, marketing campaigns and other programs.

2024 Project Sneak Peek

We are looking forward to releasing a refreshed version of the **Colorado 811 Excavator Handbook** to align with any updated best practices. The updated handbook will feature a new optimized content outline and design for ease of use. In addition, the team is looking forward to the development of a **virtual Locator Education Program Certificate** with an anticipated launch date in early 2025. This course will provide locating professionals across the state with a self-service, digital learning platform, enhancing accessibility and allowing for flexible via on-demand online learning.

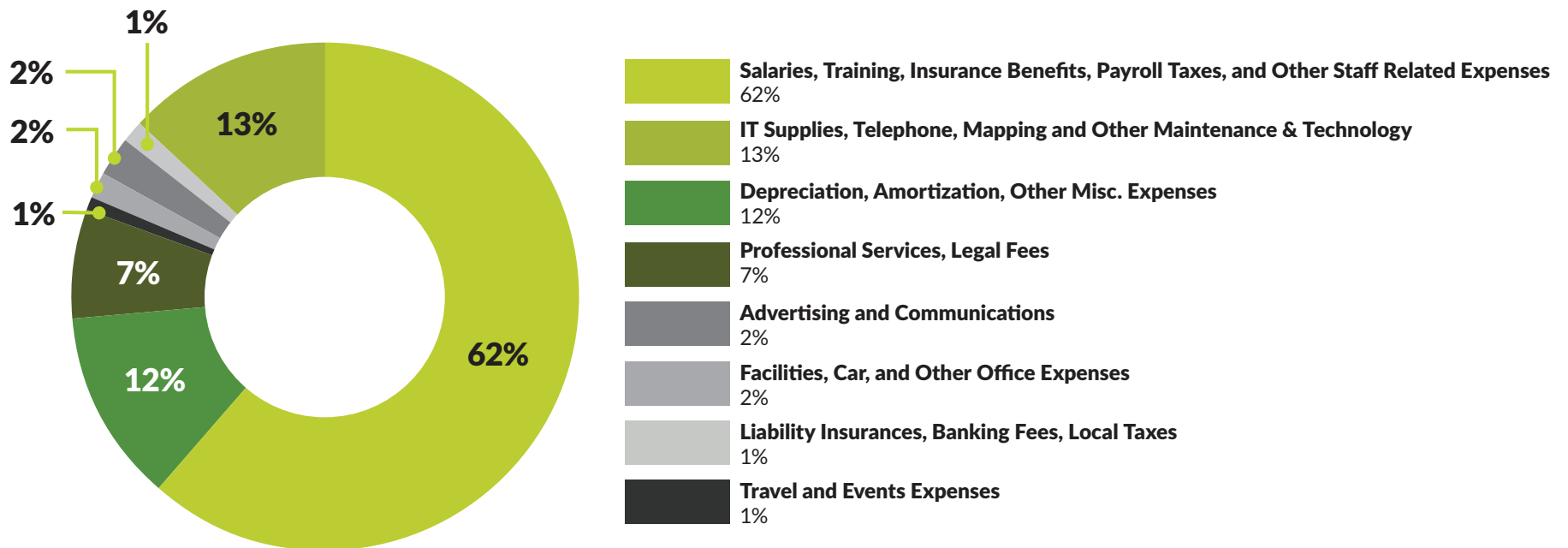


WHERE DID YOUR FEE PAYMENTS GO?

Colorado 811 is a 501(c)4 Non-Profit Organization. One of the major differences between a non-profit organization and a commercial/public company is that a non-profit organization does not have shareholders and dividends to payout. **All profit Colorado 811 makes that is not used to run the organization's operations are promptly reinvested back into the business to finance staffing related expenses, stakeholder education, and other membership benefits and programs.**

In 2023 the top three Colorado 811 expense areas could be found in the sectors of staff related expenditures such as salaries, training, insurances, taxes, etc., equaling approx. (61.53%) of expenditures. Closely followed by expenses related to Information Technology, Telephone/Internet (12.84%), and in the areas of material Depreciation, Amortization, etc. (12.28%). This expense model is normal and equal to what is seen in other 811 Centers in the nation, since an 811 Contact Center's main function is for staff to collect accurate ticketing data and transmit that data via several technology solutions directly to our members.

2023 High-Level Expense Area Percentage Overview*



*Percentage numbers are rounded.



YEAR-END DATA AT-A-GLANCE



Total Incoming Calls

246,733

2022 – 236,370



Total Tickets Processed

1,233,009

13% increase
2022 – 1,089,599



Average Talk Time

7:48

2022 – 7:36



**Avg. Transmissions Per Ticket
(not including positive responses)**

6.3*

0.2-point decrease
2022 – 6.5*



Average Hold Time

2:57

2022 – 6:47

2024 Average Hold Time
January–June: 2:59

2023 Web Entry Ticket vs Call in Tickets



75% of total ticket volume was web ticket entry,
an increase of 2 percentage points over 2022.



25% of total ticket volume was a voice call,
a decrease of 2 percentage points over 2022.

*Numbers are rounded.



YEAR-END DATA AT-A-GLANCE

In 2023 54,997 **Emergency Tickets** were processed, approximately 4% of all Tickets, which is a 3.1% increase over 2022 (53,358 Emergency Tickets)

2023 Total **Damage Tickets**: 12,578 (1% of Tickets), which is a 5.9% increase over 2022 (11,882)

EMERGENCY TICKETS



Business Hours

35,847*

2022 – 34,581



After Hours

5,663*

2022 – 4,960

DAMAGE TICKETS



Business Hours

11,448*

2022 – 10,809



After Hours

969*

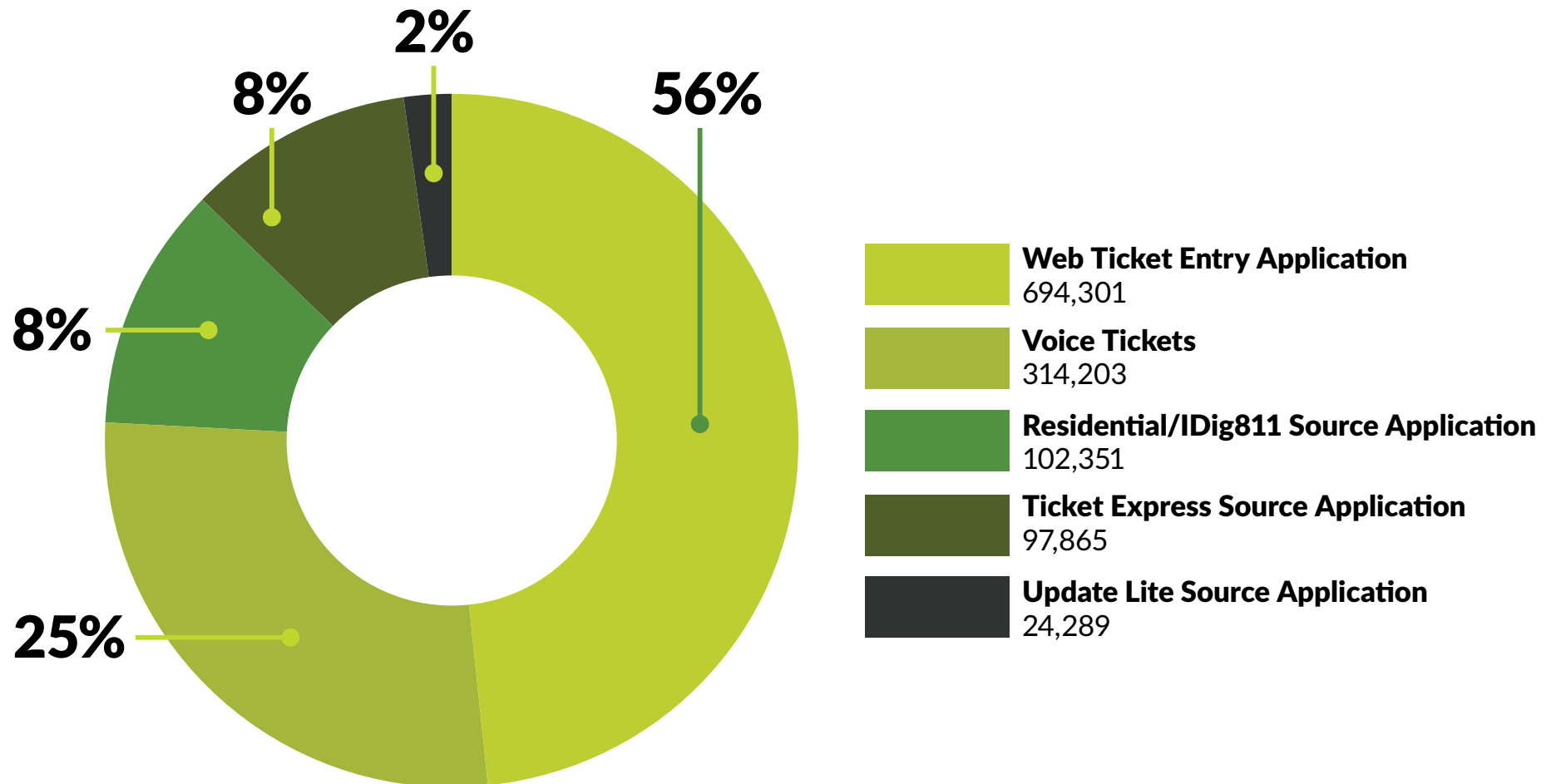
2022 – 944

*Exclude excavator renotifications and canceled tickets



YEAR-END DATA AT-A-GLANCE

2023 Total Tickets by Source





YEAR-END DATA AT-A-GLANCE

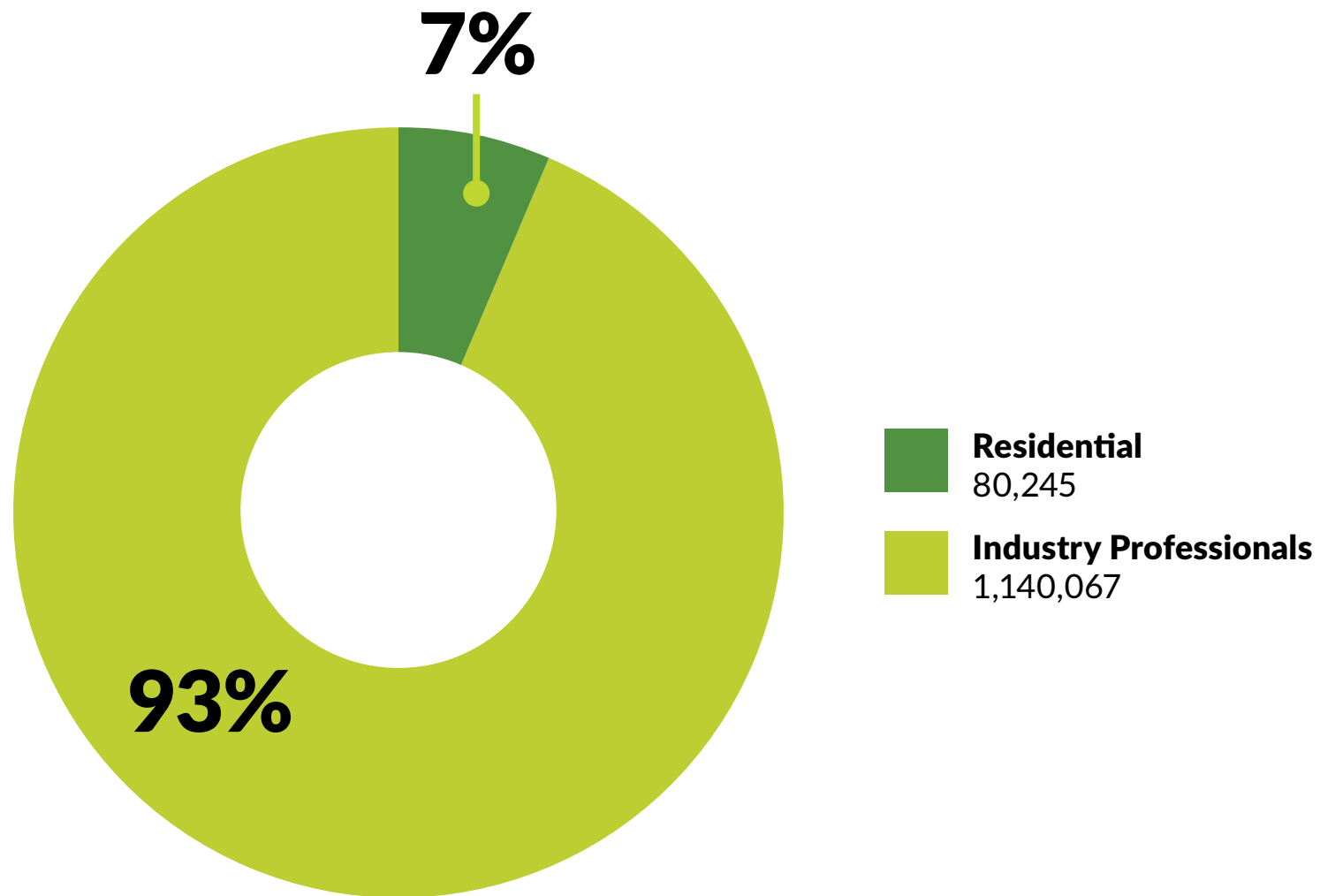
Monthly Average Speed of Answer – ASA

MONTH	2022	2023
January	1:25	1:27
February	1:11	2:31
March	3:23	2:24
April	8:30	5:11
May	9:33	5:50
June	12:59	2:56
July	6:11	4:12
August	4:08	3:42
September	6:47	4:05
October	8:21	2:03
November	4:24	:40
December	1:55	:25
Total Average	6:47	2:57



YEAR-END DATA AT-A-GLANCE

Ticket Request by User Source Type





YEAR-END DATA AT-A-GLANCE

2023 Monthly Call / Contact Totals

2022 & 2023 CALLS (AUTOMATIC CALL DISTRIBUTION CONTACTS) BY MONTH

MONTH	2022 ACD Contacts	2023 ACD Contacts
January	12,674	11,676
February	11,868	12,297
March	19,118	20,544
April	24,909	25,578
May	25,162	27,426
June	26,125	26,189
July	22,220	24,201
August	23,167	25,609
September	21,535	22,860
October	19,479	22,076
November	16,355	16,253
December	13,758	12,024
Total	236,370	246,733



YEAR-END DATA AT-A-GLANCE

2023 Automatic Positive Response Re-Notification Percentage of Ticket Transmissions (APRRN)

MONTH	2022	2023
January	7%	14%
February	8%	16%
March	8%	14%
April	12%	15%
May	11%	10%
June	11%	9%
July	15%	7%
August	21%	10%
September	23%	8%
October	26%	6%
November	18%	8%
December	18%	8%

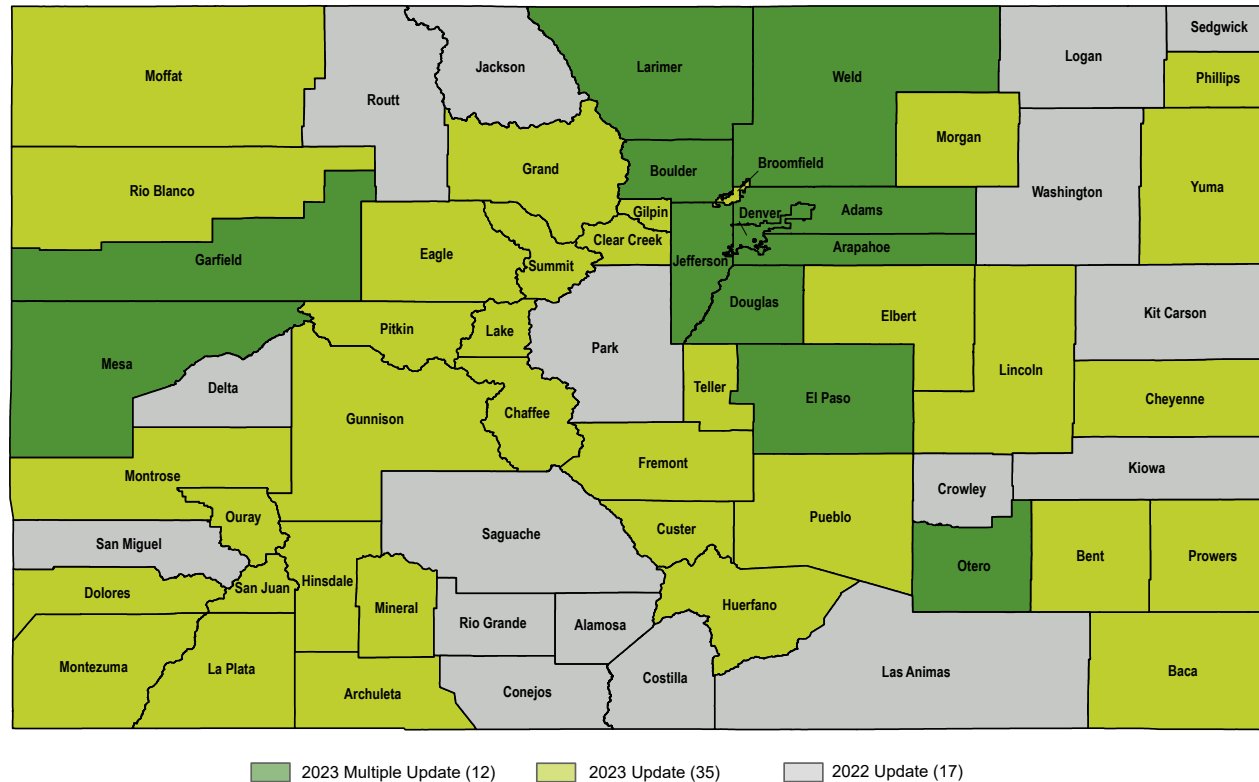


MAPPING DATA UPDATE

County Mapping Updates in 2023

83 Total County Updates

47 Counties Updated Maps and 12 Counties Updated Multiple Maps



Total Updates





FINANCIAL STATEMENT

**UTILITY NOTIFICATION CENTER
OF COLORADO**
FINANCIAL STATEMENTS
DECEMBER 31, 2023



FINANCIAL STATEMENT

Contents

	Page
Independent Auditors' Report	1 - 3
 Financial Statements	
Statement Of Financial Position.....	4
Statements Of Activities	5
Statement Of Functional Expenses For The Year Ended December 31, 2023	6
Statement Of Functional Expenses For The Year Ended December 31, 2022	7
Statement Of Cash Flows.....	8
Notes To Financial Statements.....	9 - 19



FINANCIAL STATEMENT



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
Utility Notification Center of Colorado
Golden, Colorado

Opinion

We have audited the accompanying financial statements of Utility Notification Center of Colorado (the Organization), which comprise the statement of financial position as of December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, 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. Our responsibilities under those standards are further described in the Auditors' 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 - Predecessor Auditor

The financial statements of the Organization as of December 31, 2022, before the restatement described in Note 9, were audited by another auditor whose report dated January 16, 2024 expressed an unmodified opinion on those statements. As part of our audit of the December 31, 2023 financial statements, we also audited the adjustments described in Note 9 that were applied to restate the 2022 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements as a whole.

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FINANCIAL STATEMENT

Board of Directors
Utility Notification Center of Colorado

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of these 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 available to be issued.

Auditors' Responsibility 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 auditors' 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 generally accepted auditing standards 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 auditing standards generally accepted in the United States of America, 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.



FINANCIAL STATEMENT

Board of Directors
Utility Notification Center of Colorado

- 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.

RubinBrown LLP

August 14, 2024



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 And 2022

Assets	December 31,	
	2023	2022 (As Restated)
Current Assets		
Cash and cash equivalents	\$ 13,827,886	\$ 12,421,009
Accounts receivable	1,173,894	880,348
Prepaid expenses and other current assets	255,303	161,099
Funds held in agency	—	49,526
Total Current Assets	15,257,083	13,511,982
Property And Equipment, Net	1,716,423	2,045,683
Investment In Norfield Development Partners	316,848	266,000
Computer Software, Net	54,640	86,865
Total Assets	\$ 17,344,994	\$ 15,910,530

Liabilities And Net Assets

Current Liabilities		
Accounts payable	\$ 90,700	\$ 241,272
Accrued wages and benefits	259,976	229,320
Profit sharing contribution payable	267,956	366,496
Other current liabilities	175,000	385,000
Funds held in agency	—	49,526
Total Liabilities	793,632	1,271,614
Net Assets		
Without donor restrictions:		
Board designated	9,738,438	7,092,078
Undesignated	6,812,924	7,546,838
Total Net Assets	16,551,362	14,638,916
Total Liabilities And Net Assets	\$ 17,344,994	\$ 15,910,530

See the notes to financial statements.

Page 4



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

STATEMENTS OF ACTIVITIES

For The Years Ended December 31, 2023 And 2022

	2023	2022 (As Restated)
Revenues		
Locate revenue	\$ 11,219,407	\$ 10,729,845
Membership dues	4,325	3,425
Total	11,223,732	10,733,270
Cost Of Operations		
Program services:		
Salaries	3,196,362	2,626,200
Employee benefits	603,495	518,104
Payroll taxes	282,695	215,608
Profit sharing contribution	181,026	225,892
Telephone and communication	634,670	671,913
Building maintenance and utilities	363,050	365,665
Depreciation	238,833	139,718
Information system supplies	171,166	190,989
Dues and publications	11,418	23,400
Amortization	48,205	46,866
Education and training	21,057	120,454
Total Program Service Expenses	5,751,977	5,144,809
Supporting services:		
General and administrative expenses	3,728,978	4,495,405
Change In Net Assets From Operations	1,742,777	1,093,056
Other Income (Expense)		
Interest income	98,681	5,549
Gain (loss) on disposal of assets	60,703	—
Software income, net	10,226	40,905
Miscellaneous income	59	5,285
Cost adjustment of investment	—	(274,549)
Impairment loss - telephone system	—	(13,057)
Total Other Income (Expense)	169,669	(235,867)
Change In Net Assets	1,912,446	857,189
Net Assets - Beginning Of Year	14,638,916	13,781,727
Net Assets - End Of Year	\$ 16,551,362	\$ 14,638,916

See the notes to financial statements.

Page 5



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2023

	Program Services	General And Administrative	2023 Total
Salaries	\$ 3,196,362	\$ 1,448,330	\$ 4,644,692
Employee benefits	603,495	176,229	779,724
Payroll taxes	282,695	128,186	410,881
Profit sharing contribution	181,026	82,881	263,907
Total	4,263,578	1,835,626	6,099,204
Telephone and communication	634,670	262,284	896,954
Professional fees	—	559,651	559,651
Building maintenance and utilities	363,050	119,426	482,476
Depreciation	238,833	138,756	377,589
Advertising	—	242,697	242,697
Information system supplies	171,166	—	171,166
Legal fees	—	138,848	138,848
Insurance	—	136,452	136,452
Travel and entertainment	—	116,512	116,512
Dues and publications	11,418	65,666	77,084
Auto expense	—	54,274	54,274
Amortization	48,205	—	48,205
Education and training	21,057	3,860	24,917
Bank charges	—	23,958	23,958
Advertising - promotion	—	11,697	11,697
Office expenses	—	10,421	10,421
Miscellaneous expenses	—	3,639	3,639
Postage	—	3,597	3,597
Bad debt expense	—	1,222	1,222
Repairs and maintenance	—	392	392
Total Expenses	\$ 5,751,977	\$ 3,728,978	\$ 9,480,955

See the notes to financial statements.

Page 6



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2022

	Program Services	As Restated	
		General And Administrative	2022 Total
Salaries	\$ 2,626,200	\$ 1,932,090	\$ 4,558,290
Employee benefits	518,104	217,262	735,366
Payroll taxes	215,608	116,579	332,187
Profit sharing contribution	225,892	140,604	366,496
Total	3,585,804	2,406,535	5,992,339
Telephone and communication	671,913	313,132	985,045
Professional fees	—	683,783	683,783
Building maintenance and utilities	365,665	102,274	467,939
Depreciation	139,718	142,847	282,565
Advertising	—	259,967	259,967
Information system supplies	190,989	—	190,989
Legal fees	—	82,851	82,851
Insurance	—	67,448	67,448
Travel and entertainment	—	173,822	173,822
Dues and publications	23,400	22,262	45,662
Auto expense	—	52,115	52,115
Amortization	46,866	—	46,866
Education and training	120,454	6,497	126,951
Bank charges	—	29,510	29,510
Advertising - promotion	—	38,239	38,239
Office expenses	—	6,472	6,472
Miscellaneous expenses	—	12,842	12,842
Postage	—	3,209	3,209
Bad debt expense	—	9,277	9,277
Repairs and maintenance	—	79,923	79,923
Contributions	—	2,400	2,400
Total Expenses	\$ 5,144,809	\$ 4,495,405	\$ 9,640,214

See the notes to financial statements.

Page 7



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2023 And 2022

	2023	2022
Cash Flows From Operating Activities		
Received for locate revenue	\$ 10,925,861	\$ 10,701,401
Received for membership dues	4,325	3,425
Received for interest income	98,681	5,549
Received for other income	10,285	46,190
Paid for payroll and related expenses	(6,377,088)	(5,652,295)
Paid for supplier and vendors	(3,200,733)	(3,185,234)
Net Cash Provided By Operating Activities	1,461,331	1,919,036
Cash Flows From Investing Activities		
Purchases of property and equipment	(58,152)	(638,682)
Purchase of membership interests in Norfield	—	(56,274)
Capital contribution in Norfield	(50,848)	(41,924)
Purchases of computer software	(15,980)	—
Proceeds on disposal of assets	70,526	—
Net Cash Used In Investing Activities	(54,454)	(736,880)
Increase In Cash And Cash Equivalents	1,406,877	1,182,156
Cash And Cash Equivalents - Beginning Of Year	12,421,009	11,238,853
Cash And Cash Equivalents - End Of Year	\$ 13,827,886	\$ 12,421,009

See the notes to financial statements.

Page 8



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

NOTES TO FINANCIAL STATEMENTS

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). 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 FASB in these footnotes are to FASB Accounting Standards Codification (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, 2023 and 2022, 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 consist of cash and highly liquid investments available for use.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

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, 2023 and 2022.

Locate Revenue

There are three types of membership offered at the Organization: Owner/Operator, Excavator, and Sustaining Membership.

- Owner/Operator performance obligations include direct notification from the call center regarding excavations in or around the registered members defined notification area.

Owner/Operator revenue is recognized at a point in time when the performance obligation of direct notification is satisfied. Owner/Operator members are invoiced at the rate of \$1.29 and \$1.30 for each notification received from the Organization and referred to as a ticket during the years ended December 31, 2023 and 2022, respectively;

- Excavator membership is an annual \$100 fee recognized ratably over time as services are simultaneously received and consumed by customers as the Organization satisfies its performance obligation 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.
- Sustaining membership is an annual \$100 fee recognized ratably over time as services are simultaneously received and consumed by customers as the Organization satisfies its performance obligation throughout the year and is included in membership dues in the statements of activities. Sustaining members are entities, organizations or individuals who have an interest in the purposes and function of the Organization but are not owner/operator or excavator members.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

Membership Dues

New Owner/Operator members are charged a one-time \$25 administration 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 a point in time when member is established as the Organization, at that time, has no unsatisfied performance obligations.

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, 2023 or 2022.

Accounts Receivable

Trade accounts receivable is 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 debt and current conditions, management believes no allowance for credit losses is necessary at December 31, 2023 or 2022. However, actual write-offs could exceed management's estimate. For the years ended December 31, 2023 and 2022, bad debt amounted to \$1,222 and \$9,277, respectively.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

Adoption Of New Accounting Policy

As of January 1, 2023, the Organization adopted ASC Topic 326, *Financial Instruments - Credit Losses*, using a modified-retrospective approach. The standard replaces the incurred loss model and requires entities to record an estimate of expected losses on financial assets for the remaining estimated life of the asset. This estimate includes consideration of historical experience, current conditions and reasonable and supportable forecasts. The standard applies to the Organization's trade receivables. The adoption did not have a material impact on these financial statements.

Funds Held In Agency

At December 31, 2022, the Organization held \$49,526 in an account under the Organization's name for the benefit of the North American Telecommunications Damage Prevention Council (the Council). The Organization maintained the cash account for the benefit of the Council but had no other authority over the funds. These amounts were included as a current asset and liability on the accompanying statements of financial position as of December 31, 2022. As of December 31, 2023, no such funds were held for the benefit of the Council.

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.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

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.

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.

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, 2023 or 2022.

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.

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.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

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, 2023, there were no material impairments noted by management.

Financial Instruments And Credit Risks

For the years ended December 31, 2023 and 2022, the Organization had approximately 25% and 37% of locate revenue for the period from two and three members, respectively, each greater than 10%. At December 31, 2023, the Organization had approximately 17% of 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.

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 \$10,144,000 and \$10,046,000 are included in cash and cash equivalents in the statement of financial position at December 31, 2023 and 2022, respectively.

Subsequent Events

The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' 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 \$254,394 and \$298,206 during the years ended December 31, 2023 and 2022, respectively.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

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 \$10,226 and \$40,905 during the years ended December 31, 2023 and 2022, respectively, in connection with this agreement.

2. Availability Of Resources And Liquidity

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

	2023	2022
Cash and cash equivalents	\$ 13,827,886	\$ 12,421,009
Accounts receivable	1,173,894	880,348
Financial assets	15,001,780	13,301,357
Less: Board-designated net assets	(9,738,438)	(7,092,078)

Financial Assets Available To Meet

General Expenditures Over The Next Year	\$ 5,263,342	\$ 6,209,279
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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 to meet cash flow needs.

3. Computer Software

Computer software consists of the following at December 31:

	2023	2022
Computer software	\$ 951,597	\$ 935,617
Less: Accumulated amortization	(896,957)	(848,752)
Computer Software, Net	\$ 54,640	\$ 86,865



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

Projected amortization over the next five years is as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 32,293
2025	13,314
2026	4,838
2027	3,196
2028	999

4. Property And Equipment

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Building and improvements	\$ 2,356,532	\$ 2,304,273
Computer equipment	786,141	780,248
Office equipment	523,737	523,737
Office furniture	369,520	369,520
Land	304,162	304,162
Vehicles	182,515	289,233
Total	4,522,607	4,571,173
Less: Accumulated depreciation	(2,806,184)	(2,525,490)
Property And Equipment, Net	\$ 1,716,423	\$ 2,045,683

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, LLC for \$4,000,000.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

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 purchased additional membership units for \$56,274, which increased ownership to 12.99%. Based on this observable price change, the cost value of the investment was adjusted accordingly to reduce the investment by \$274,549 (Note 9). During the years ended December 31, 2023 and 2022, the Organization made capital contributions of \$50,848 and \$41,924 to Norfield, respectively. 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 2023 and 2022, the Organization paid Norfield approximately \$227,000 and \$226,000, 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, 2023 and 2022, the Organization contributed 8% and 10% of eligible employees' wages to the Plan, totaling \$267,956 and \$366,496, respectively.

7. Board Designated Net Assets

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

	2023	2022
Business Continuity Fund	\$ 4,502,381	\$ 4,502,381
Capital Planning Fund	3,110,235	1,963,875
Damage Prevention Awareness Fund	1,000,000	—
Legislative Fund	625,822	625,822
Natural Disaster Ticket Offset Fund	500,000	—
Total Board Designated Net Assets	\$ 9,738,438	\$ 7,092,078



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

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

	2023	2022
Capital Planning Fund	\$ —	\$ 390,310
Health Care Fund	—	130,175
Total Released From Board Designated Net Assets	\$ —	\$ 520,485

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

	2023	2022
Capital Planning Fund	\$ 1,146,360	\$ —
Damage Prevention Awareness Fund	1,000,000	—
Natural Disaster Ticket Offset Fund	500,000	—
Total Additions To Board Designated Net Assets	\$ 2,646,360	\$ —

8. Contingencies

In the normal course of business, the Organization may become party to litigation. The Organization makes a provision for liabilities associated with litigation when a loss is probable and can be reasonably estimated. At December 31, 2023, the Organization had certain litigation matters outstanding on which it is defending itself. The Organization does not believe the resolution of litigation outstanding at December 31, 2023 will have a material adverse effect net of any potential insurance coverage.



FINANCIAL STATEMENT

UTILITY NOTIFICATION CENTER OF COLORADO

Notes To Financial Statements

9. Restatement Of 2022 Financial Statements

The Organization has restated its financial statements to correct errors identified in the 2022 financial statements. The first error relates to a litigation matter that existed in 2022 and was probable of loss and that loss was reasonably estimable, and therefore, a provision for loss should have been recorded in 2022. The final error relates to an observable price change of the Organization's investment in Norfield, which should have resulted in an adjustment to the cost value of the investment. The 2022 financial statements have been restated to correct the effect of the error as follows:

	As Previously Reported	As Restated	Change
Statement of Financial Position			
Investment in Norfield Development	\$ 540,549	\$ 266,000	\$ (274,549)
Other current liabilities	—	385,000	385,000
Undesignated net assets	8,206,387	7,546,838	(659,549)
Statement of Activities			
General and administrative expenses	4,110,405	4,495,405	385,000
Cost adjustment of investment	—	(274,549)	(274,549)
Change in net assets	1,516,738	857,189	(659,549)
Net assets - end of year	15,298,465	14,638,916	(659,549)

The error had no cumulative effect on net assets as of January 1, 2022.

Utility Notification Center of Colorado

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