



# 2014-15 Annual Report

MAKING FLORIDA THE SAFEST PLACE TO DIG



## MISSION

The mission of Sunshine 811 is to promote and facilitate excavation safety and underground facility damage prevention.

## VISION

Florida, the safest place to dig.

- 3 Letter from the Executive Director
- 6 Our Responsibilities
- 7 How We Made an Impact
- 8 Making History
- 9 2014 Enforcement
- 10 2015 City & County Participation
- 11 Board of Directors
- 12-17 Auditor's Report to the Board of Directors for Years Ended May 31, 2015 and 2014.
- 18-27 Financial Statements (with independent Auditor's Report) for Years Ended May 31, 2015 and 2014.

# 2014-15

Dear Friends:

Seven years ago, we saw our ticket and transmission volumes fall as the economy and construction throughout Florida slowed. Today I'm happy to report that fiscal year 2014-15 saw an increase in volume for the second year in a row, solid evidence that Florida's economy is rebounding.

We continued the work of focusing on delivering services and solutions that make your work life easier. Take a look at some highlights:

- Upgrades to the Irth System (SAGE811) in April delivered extended access to our system with multi-browser capability, Single Address Ticket and mobile-ready pages. Responsive design gave users the ability to view Irth on any size screen, mobile or desktop. Members were also given the ability to provide comments when entering positive response codes into Irth.
- Positive Response code 2C (High Priority Subsurface Installations) was updated so excavators could provide a work start date and time. They can also agree or disagree when code 3F (Unmarked – marking delay requested by locate technician and agreed to by excavator) is used. Code 2D was created for non-gas high profile installations.
- The annual financial statements and auditor's report to the Board of Directors for years ended May 31, 2015 and 2014 were satisfactorily completed by the independent auditing firm of McDirmit Davis, LLC.
- Once again we partnered with Bright House Media Strategies, Comcast, Florida Energy Pipeline Association, Florida News Network, JEA, NUCA of Florida, Safety Alliance for Excellence and TECO Peoples Gas to share public awareness costs and get the 811 message to a greater audience.
- The onsite CEU class, "5 Steps to Safe Digging," was updated with impactful video and delivers an interactive safety message. It's been a real hit with our audiences.
- We signed a five year renewal of our software usage agreement including an annual \$25,000 customer loyalty discount negotiated with our provider of choice, Irth Solutions, Inc.

---

**2014-15**

**\$5.6 million**  
Revenues

**\$5.6 million**  
Expenses

**\$4.8 million**  
Cash Reserves

**1.4 million**  
Tickets

**8.6 million**  
Transmissions

# 2014-15

- We developed a Sewer Safety Cross Bore Awareness program to educate plumbers on the potential for gas line cross bores through plumbing lines. A story featured in an earlier newsletter received the highest hit rate of all stories run to date.
- We developed the SUNLITE Damage Report for easy damage data submission and received 960 reports this fiscal year.
- We partnered with damage prevention stakeholders nationwide to sponsor Triple Crown winning jockey Victor Espinoza and placed home plate advertising during major league baseball games on August 11, 2014. The efforts resulted in 3.4 million impressions during the Tampa and Marlins games and 16.4 million viewers during the Triple Crown series with the purchased equivalent value of \$3.27 million.

## TECHNOLOGY

Last year we remained focused on improving our customer experience by investing heavily in technology.

Our Technical Operations Department is central to delivering operational excellence. It is responsible for the lion's share of our business, supporting 87 servers, 207 virtual servers and 70 virtual desktops. It does this on behalf of 976 member utilities with 1,284 service areas and 1,993 ticket receiving locations; 396 associate members; 32,176 Internet Ticket Entry users; and 589,343 callers.

With a number of Internet communications outages throughout the year, we worked quickly to restore service and develop long-term solutions. For instance, we formalized our communications process during outages to keep our members informed. We enhanced monitoring capabilities on the status of our servers, router availability, web response, firewall safety, bandwidth use and cyber attacks.

We also implemented back-up Internet services to enable the center to run with minimal interruption.

In the midst of Internet outages, it was quickly determined we needed to switch our Internet provider. Our Board of Directors approved a new Internet provider and we spent a great deal of time soliciting bids and working with the selected provider to arrange service delivery.

Information technology is one of the most dynamic and fast-changing industries in the world. We will relentlessly pursue new technologies with a large share of our technology investment used to attain:

- Operational stability and customer value.
- Communications channel integration into business applications to enrich stakeholder interaction.
- Flexible framework to address the increasing volumes and security threats.

## LEGISLATION

This year the Pipeline and Hazardous Materials Administration (PHMSA, U.S. DOT) updated the characteristics of effective state damage prevention programs and published its Excavation Enforcement Rule.

In response, we are reviewing the statutory exemptions provided in the Underground Facility Damage Prevention and Safety Act, Chapter 556, F.S., and are promoting the voluntary reporting of excavation damage to underground facilities to identify opportunities to enhance damage prevention efforts in Florida.

We didn't embark on this journey alone. There was much discussion at committee, board and stakeholder meetings as we worked to find a common ground on the tough issues of exemptions, damage reporting and enforcement.

We also created the SUNLITE damage report to gather damage information from our Florida stakeholders. The new program is confidential for our members and excavators, and accepts data in any format. By year's end, more than 900 reports had been submitted. SUNLITE resembles the Common Ground Alliance's DIRT program, but offers fewer questions and more separation of excavator categories to allow for targeted education.

## LOOKING FORWARD

We understand the importance of operational excellence and have dedicated ourselves over the past year to make sure that we continue to increase value to our stakeholders. You can be assured that we will continue working to achieve high performance standards with first-rate systems and cost-effective operation.

I feel privileged to have the trust and confidence of the Board of Directors to lead this organization and to work with so many talented and dedicated people. Our management team and employees do outstanding work every day, keeping our services relevant, convenient and cost effective in constant pursuit of our shared vision to make Florida the safest place to dig!



Mark Sweet  
Sunshine 811 Executive Director

# Our Responsibilities



## Support Our Stakeholders

- 976 members
  - 1,284 service areas
  - 1,993 ticket receiving locations
- 32,176 Internet Ticket Entry users
- 396 associate members
- 589,343 callers



## Fiscal Responsibility



## Educate Member Utilities, Excavators, Locators and Homeowners



## Manage Technology & Access

# How We Made an Impact

## EASIER ACCESS

April upgrades to the Irth System gave users more flexibility with:

- Multi-browser capability
- Single Address Ticket, allowing homeowners and occasional users to request tickets online without training
- Mobile-ready Irth ticket entry pages
- Responsive ticket entry screen to fit any device

## EFFICIENCY

- Through redundant Internet providers, hardware upgrades and system monitoring, our systems remained operational 99.45% for the entire year
- 68 percent of our ticket volume was done through Internet Ticket Entry
- Maintained a 31-second answer speed

## EDUCATION

- 13,234 educated at over 600 meetings
- 1,709 trained with new online Internet Ticket Entry training program
- Revamp of our in-person continuing education class lets us measure effectiveness and encourages more interaction
- 362 attended 2015 Safety Day which featured classes, exhibits and keynote speaker Cliff Meidl

## NEW PROGRAMS

- Developed a Sewer Safety and Cross Bore Awareness Program to educate plumbers on the potential for gas line cross bores through plumbing lines. Story in earlier newsletter received highest hit rate ever of over 1,400.
- Developed SUNLITE Damage Report for easy damage data submission. Within a few month's time, 960 damages were reported for the fiscal year.

## REACHED THE MASSES

This year we took part in national baseball and horse racing initiatives. We also conducted our annual Safe Digging Month campaign. The results:

- 3.4 million impressions during the Tampa & Marlins Games
- 27.8 million viewers watched Victor Espinoza win the Kentucky Derby and Belmont Stakes plus additional coverage during the Belmont Stakes. This effort was supported by 200 stakeholders
- Paid media saw a 3.4 million Listenership
- Earned media saw 1.1 million impressions

# Making History



Call before you dig supporters across the country were excited to cheer Victor Espinoza on as he became the first Triple Crown winner since 1978, especially following his 811-sponsored victories in both the Kentucky Derby and Preakness Stakes.

For 811, the exposure was tremendous. Between the Derby and the Preakness, more than 27.8 million viewers watched Victor take first place twice while wearing 811 on his boots and saddle – not to mention his iconic 811 hat worn in pre- and post-race interviews.

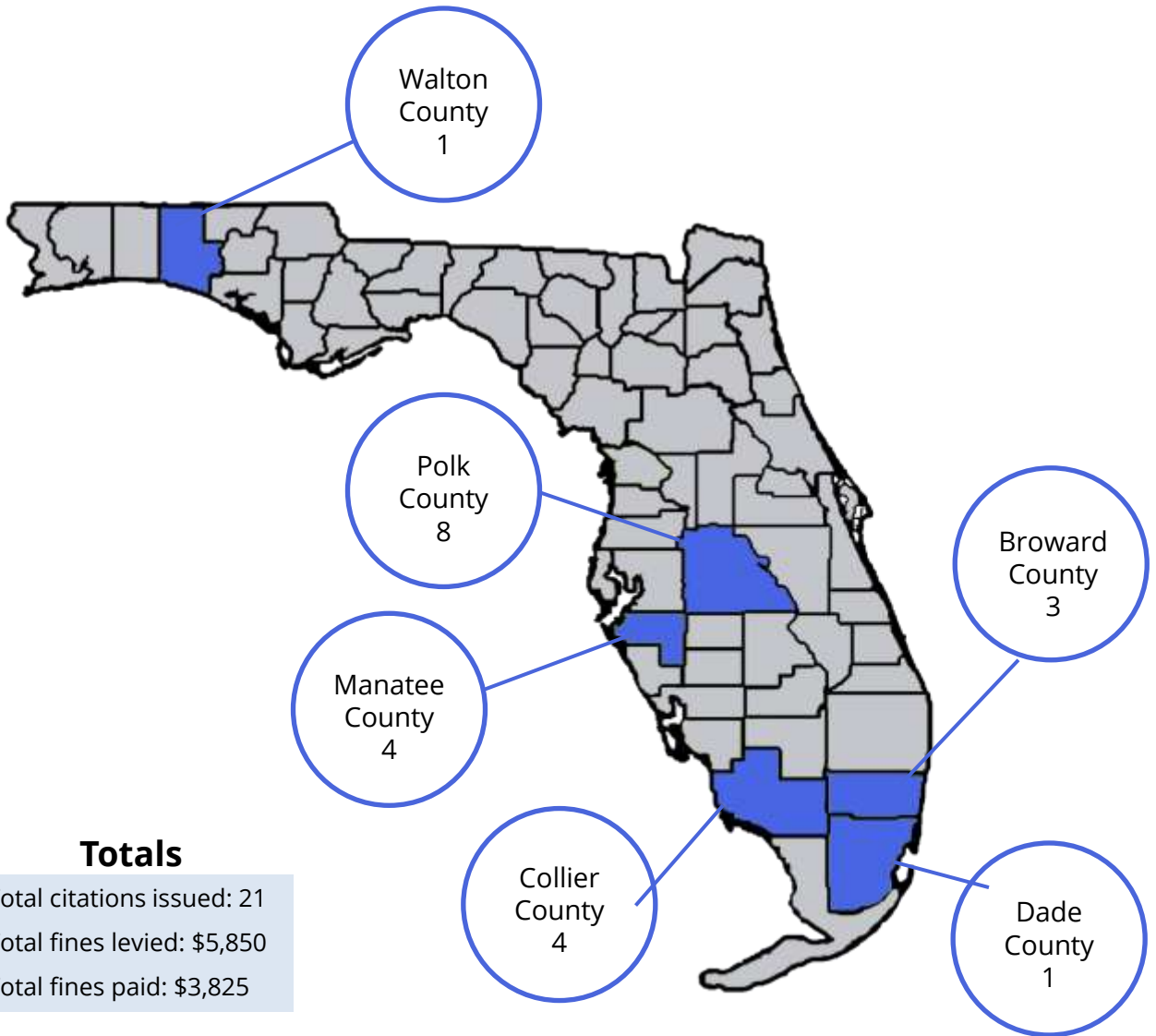
Sunshine 811 took advantage of the exposure and ran its Victor Espinoza public service announcement before all three races.

Although he didn't wear 811 in the Belmont for contractual reasons, footage of his victories in the first two Triple Crown races played in the lead-up to the Belmont race, earning even more exposure for 811. But Victor, believing in the 811 message, did sport 811 on the goggles he wore during the Belmont.

Sunshine 811 will continue to capitalize on Victor's Triple Crown legacy as wears 811 proudly while riding in 300 more races throughout 2015.



# 2014 Enforcement



## Totals

Total citations issued: 21  
 Total fines levied: \$5,850  
 Total fines paid: \$3,825

## Violation Types

8	Failure to have a valid ticket [556.105(1),F.S.]
5	Failure to stop excavation or demolition if marks are destroyed. [s.556.105(11),F.S.]
5	Failure to wait the required time prior to excavation. [s.556.105(6),F.S.]
2	False emergency. [s.556.109(2),F.S.]
1	Failure to stop excavation when facility hit. [s.556.105(12), F.S.]

# 2015 City & County Report

## History

January 1, 2003

- All municipalities that operate underground facilities were required to be members.
- Small city exemption expires.

January 1, 1998

- Mandatory membership requirement for municipalities with population greater than 10,000 was included in the Underground Facility Damage Prevention and Safety Act, Chapter 556, Florida Statutes.
- Deadline for municipalities with a population less than 10,000 to notify Sunshine 811 in writing of their non-participation in Sunshine 811.

---

## Membership

The Florida League of Cities represents 410 municipalities in the State. A total of 316 municipalities (or entities thereof) are actively participating as members of Sunshine 811. Active participation in the system is established when an underground facility operator has completed all membership application requirements, develops and registers a service area representing the geographical area of its underground facilities, and is capable of receiving notices of intended excavation from Sunshine 811.

---

## New Municipalities

One municipality joined Sunshine 811 during 2015 year-to-date. The new municipal member and the date that it began actively participating in Sunshine 811 are listed below:

- Town of Sneads                      2/23/2015
- No other cities have applied for membership.

---

## New Counties

There are 67 counties in Florida. The total number of counties that are active members is 43.

- No new counties became active members.
- No counties submitted a membership application.

---

## Path Forward

Sunshine 811 will continue to exercise its best efforts to increase awareness of the mandatory membership requirements of Chapter 556, F.S. We will assist any underground facility operators that elect to fully participate in the system with the timely processing of their membership applications and the registration of their service areas. For our active members, we will continue to invest in and implement the best damage prevention technology available in the industry and deliver the highest quality damage prevention programs and services at the lowest possible cost.

# Board of Directors



Eric Raymond  
*Chair*  
Williams Gas  
Pipeline



Lorenzo Jones  
*Vice Chair*  
TECO



Michael Borg  
*Treasurer & Finance  
Committee Chair*  
City of Lakeland Water



Dino Farruggio  
*Secretary*  
AT&T



Terrill Booker  
*Operations  
Committee Chair*  
Lake Apopka Natural  
Gas District



Michelle Johnson  
*Damage Prevention  
Committee Chair*  
Duke Energy



Janice Davis  
City of Tampa Water  
Department



Mike DrGraw  
CenturyLink



Andy Fisher  
Manatee County



Joe Heatherly  
FPL



Walt Hiscow  
JEA



Louise Hom  
Lochrane  
Engineering



Lynn Irvin  
Florida Gas  
Transmission



Lisa Jackson  
Hillsborough County  
Public Works



Bud Joiner  
Reedy Creek  
Energy Services



Bryan Lantz  
Verizon



Thomas Marko  
Miami Dade Water &  
Sewer Department



Steve Marshall  
Bright House  
Networks



Sandra Panos  
TECO Peoples Gas



Patrick Thompson  
USIC



Mike Woodall  
John Woody, Inc.



Wayne Flowers  
Legal Counsel



Mark Sweet  
Executive Director

# Financials



**MCDIRMIT // DAVIS**  
CERTIFIED PUBLIC ACCOUNTANTS AND FINANCIAL SERVICES

To the Board of Directors  
Sunshine State One-Call of Florida, Inc.  
d/b/a Sunshine 811  
Debary, Florida

In planning and performing our audit of the financial statements of *Sunshine State One-Call of Florida, Inc. d/b/a Sunshine 811* (the Organization) as of and for the year ended May 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

During our audit we became aware of matters that are opportunities for additional strengthening of the Organization's controls and operation as follows:

Fixed Asset Inventory and Equipment Tagging

As reported in prior years, our audit procedures noted that several of the Organization's fixed assets were at the end of their useful life for depreciation purposes. This generally indicates that some of these assets are no longer in use, or obsolete. Physical inventory was performed this year but full reconciliation of fixed assets to the general ledger was not performed.

Recommendation

Perform a full reconciliation of fixed assets to the general ledger.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
September 11, 2015

September 11, 2015

Board of Directors  
11 Plantation Rd,  
Debary, FL, 32789

We have audited the financial statements of *Sunshine State One-Call of Florida, Inc. d/b/a Sunshine 811* (the Organization) as of and for the year ended May 31, 2015, and have issued our report thereon dated September 11, 2015. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 5, 2014, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control and other matters noted during our audit in a separate letter to you dated September 11, 2015.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

MCDIRMIT DAVIS & COMPANY, LLC  
934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization Sunshine State One-Call of Florida, Inc. is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2014. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate for the allowance for depreciation and management's estimate for the allowance for doubtful accounts.

Management's estimate of the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole. We evaluated the key factors and assumptions used to develop the allowance for depreciation and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on historical collection rates and analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts and determined that it is reasonable in relation to the basic financial statements taken as a whole.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. No such misstatements were noted.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's Sunshine State One-Call of Florida, Inc. financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated September 11, 2015.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

This report is intended solely for the information and use of the Board of Directors and, and management of *Sunshine State One-Call of Florida, Inc. d/b/a Sunshine 811* and is not intended to be and should not be used by anyone other than these specified parties.

*McDiarmid Davis & Company, LLC*

Orlando, Florida  
September 11, 2015

**SUNSHINE STATE ONE-  
CALL OF FLORIDA, INC.**

d/b/a **SUNSHINE 811**

(A Not-For Profit Corporation)

**FINANCIAL STATEMENTS**  
(With Independent Auditor's Report)

Years Ended May 31, 2015 and 2014

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
*Sunshine State One-Call of Florida, Inc.*  
*d/b/a Sunshine 811*

**Report on the Financial Statements**

We have audited the accompanying financial statements of *Sunshine State One-Call of Florida, Inc. d/b/a Sunshine 811 (A Not-for-Profit Corporation)*, which comprise the statements of financial position as of May 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility 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, this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *Sunshine State One-Call of Florida, Inc. d/b/a Sunshine 811 (A Not-for-Profit Corporation)* as of May 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*McDirmit Davis & Company, LLC*

Orlando, Florida  
September 11, 2015

MCDIRMIT DAVIS & COMPANY, LLC  
934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803  
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**STATEMENTS OF FINANCIAL POSITION**

May 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Assets:		
Cash and cash equivalents	\$ 4,178,056	\$ 4,749,700
Certificate of deposit	250,000	250,000
Accounts receivable, net of allowance for doubtful accounts	1,109,402	903,274
Interest receivable	782	782
Prepaid expenses	474,398	372,076
Deposits	20,625	13,623
Property and equipment, net of accumulated depreciation	<u>1,826,070</u>	<u>1,926,625</u>
Total assets	<u>\$ 7,859,333</u>	<u>\$ 8,216,080</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 110,093	\$ 219,655
Accrued expenses	<u>438,627</u>	<u>411,517</u>
Total liabilities	<u>548,720</u>	<u>631,172</u>
<b>Commitments and Contingencies (See Note 6)</b>		
Net Assets:		
Unrestricted	<u>7,310,613</u>	<u>7,584,908</u>
Total liabilities and net assets	<u>\$ 7,859,333</u>	<u>\$ 8,216,080</u>

The Accompanying Notes to Financial Statements are an integral part of these statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**STATEMENTS OF ACTIVITIES**

Years Ended May 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in Unrestricted Net Assets:		
Revenues and Support:		
Members fees and special billings	\$ 6,770,187	\$ 6,603,784
Interest income	10,331	11,744
Miscellaneous income	3,282	16,214
Gain on sale of fixed assets	-	5,150
Total revenues and support	<u>6,783,800</u>	<u>6,636,892</u>
Expenses:		
Leased employees	3,894,438	3,710,464
Advertising and promotion	603,817	576,152
Communication	456,612	457,474
Computer and software maintenance	511,986	515,128
Depreciation and amortization	476,123	413,607
Legal and professional fees	124,551	128,690
Meetings and seminars	120,585	112,374
Office and operating expenses	491,990	249,551
Repairs and maintenance	109,319	99,516
Insurance	79,686	79,982
Utilities	56,901	55,478
Travel	49,079	48,658
Property taxes	37,414	37,188
Equipment, rent and maintenance	18,948	14,465
Income taxes	14,350	15,240
Miscellaneous expenses	10,456	7,647
Bad debts	1,840	3,669
Total expenses	<u>7,058,095</u>	<u>6,525,283</u>
Change in Unrestricted Net Assets	(274,295)	111,609
Net Assets - beginning of year	<u>7,584,908</u>	<u>7,473,299</u>
Net Assets - end of year	<u>\$ 7,310,613</u>	<u>\$ 7,584,908</u>

The Accompanying Notes to Financial Statements are an integral part of these statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**STATEMENTS OF CASH FLOWS**

Years Ended May 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Receipts from membership fees and special billings	\$ 6,562,219	\$ 6,601,219
Investment and other receipts	13,613	28,511
Cash paid to suppliers of materials, employees and other operating cash payments	<u>(6,771,908)</u>	<u>(6,004,498)</u>
Net cash provided by (used for) operating activities	<u>(196,076)</u>	<u>625,232</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(375,568)	(553,050)
Proceeds from disposal of equipment	<u>-</u>	<u>5,150</u>
Net cash used for investing activities	<u>(375,568)</u>	<u>(547,900)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(571,644)	77,332
Cash and Cash Equivalents - beginning of year	<u>4,749,700</u>	<u>4,672,368</u>
Cash and Cash Equivalents - end of year	<u>\$ 4,178,056</u>	<u>\$ 4,749,700</u>
Reconciliation of Change in Net Assets to Net Cash Provided by (Used for) Operating Activities:		
Change in net assets per statement of activities	\$ (274,295)	\$ 111,609
Add (subtract) items not requiring (providing) cash:		
Depreciation and amortization	476,123	413,607
Gain on disposal of asset	-	(5,150)
Provision for bad debts	<u>1,840</u>	<u>3,669</u>
Total	203,668	523,735
Changes in Operating Assets and Liabilities:		
Accounts receivable	(207,968)	(2,565)
Interest receivable	-	553
Prepaid expenses	(102,322)	(23,068)
Deposits	(7,002)	(3,373)
Accounts payable	(109,562)	112,727
Accrued expenses	<u>27,110</u>	<u>17,223</u>
Net cash provided by (used for) operating activities	<u>\$ (196,076)</u>	<u>\$ 625,232</u>

The Accompanying Notes to Financial Statements are an integral part of these statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**NOTES TO FINANCIAL STATEMENTS**

Years Ended May 31, 2015 and 2014

**Note 1 - Summary of Significant Accounting Policies:**

The financial statements of *Sunshine State One-Call of Florida, Inc.* (the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Nature of business - The Organization was incorporated on February 1, 1993. The purpose of the Organization is to serve as a central contact point for owners of underground utilities and excavators. The Organization acts as an information conduit, enabling its members to take appropriate action to protect their underground facilities from damage as well as to protect their customers from service interruption and promote a safer environment for excavators. The Organization is funded primarily through member fees.

Basis of presentation - Financial statement presentation adheres to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (FASB ASC) 958-05, *Accounting for Contributions Received and Contributions Made*, and FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations* for presentation of its financial statements. As such, the financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

Tax status - *Sunshine State One-Call of Florida, Inc.* is a not-for-profit corporation under Chapter 617 of the Florida statutes and is exempt from taxation under Internal Revenue Code Section 501(c)(4) on income related to its tax-exempt purpose. The Organization had no unrelated business income, as defined by the Internal Revenue Code, during the years ended May 31, 2015 and 2014. The Organization incurred income tax expense in the amount of \$14,350 and \$14,360 for federal and \$220 and \$880 for state taxes for the years ended May 31, 2015 and 2014, as a result of lobbying expense paid by the Organization.

The Organization has adopted the application of the uncertain tax position provisions of FASB ASC 740, *Income Taxes*. The Organization evaluates its uncertain tax positions using the provisions of FASB ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of May 31, 2015 and 2014, there were no uncertain tax positions identified. The Organization files income tax returns in the U.S. federal jurisdiction and state of Florida. With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before May 31, 2012.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Years Ended May 31, 2015 and 2014

**Note 1 - Summary of Significant Accounting Policies - (Continued):**

Use of estimates - The preparation of 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments - The carrying amounts of cash, accounts receivable, and accounts payable approximate fair value because of the short maturity of these items.

Cash and cash equivalents - For purposes of the statement of cash flows, cash and cash equivalents include cash invested in certificates of deposit with an original maturity date of three months or less.

Investments - Investments, if any, are carried at fair market value. Certificates of deposit with an original maturity of greater than three months are considered investments and are carried at amortized cost. Changes in market values are recorded as investment income.

Property, equipment and depreciation - The Organization's policy is to capitalize all purchases whose estimated useful life is greater than one year. Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the various classes of assets as follows:

Building and Improvements	15 - 40 years
Furniture and Fixtures	7 years
Equipment	7 years
Computers and Software	3 - 7 years
Vehicles	5 years

Revenue recognition - The Organization bills members on an assessment based billing system. All members who have more than twelve months of billing history, and more than ten tickets per month are assessed a percentage of the Organization's annual budget based on their pro rata share of the prior year's ticket volume. Revenue is recognized when fees are declared and invoiced.

Membership dues and grants from governmental agencies are recognized as revenue when the dues or grants are received. All dues and grants are considered to be available for unrestricted use unless specifically restricted by the donor.



SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Years Ended May 31, 2015 and 2014

**Note 1 - Summary of Significant Accounting Policies - (Continued):**

Accounts receivable - Accounts receivable are stated at net realizable value. Management provides an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts at May 31, 2015 and 2014 was \$25,000 reflecting management's best estimate of future uncollectable accounts.

Advertising costs - The Organization expenses advertising costs as incurred. Advertising costs were \$603,817 and \$576,152 for the years ended May 31, 2015 and 2014, respectively, and are included in the accompanying statements of activities.

Subsequent events - The Organization has evaluated subsequent events through the date of the independent auditor's report, the date which the accompanying financial statements were available to be issued.

**Note 2 - Investments:**

The Organization's investment in a certificate of deposit is carried at amortized cost. This investment does not qualify as a security as defined in *FASB Accounting Standards Codification (ASC) 320, Investments - Debt and Equity Securities*, thus the fair value disclosures required by ASC 820, *Fair Value Measurements and Disclosures*, are not provided. The nature of investments held is as follows:

	<u>2015</u>	<u>2014</u>
Beal Bank Certificate of Deposit	\$ 250,000	\$ 250,000
Total Investments	<u>\$ 250,000</u>	<u>\$ 250,000</u>

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Years Ended May 31, 2015 and 2014

**Note 3 - Property, Plant and Equipment:**

Property, plant and equipment is summarized as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 249,956	\$ 249,956
Building	1,392,673	1,411,999
Communication Equipment	974,889	974,889
Vehicles	155,857	155,857
Furniture, Fixtures, and Office Equipment	546,131	555,672
Computers and Software	<u>3,271,090</u>	<u>4,083,706</u>
Total	6,590,596	7,432,079
Less: accumulated depreciation and amortization	<u>4,764,526</u>	<u>5,505,454</u>
Total	<u>\$ 1,826,070</u>	<u>\$ 1,926,625</u>

Depreciation and amortization expense for the years ended May 31, 2015 and 2014 amounted to \$476,123 and \$413,607, respectively.

**Note 4 - Pension Plan:**

The Organization has entered into an agreement to lease all employees from an employee leasing company. Such agreement may be terminated with a 30-day advance written notice. In accordance with this agreement, the employees are participants in the employee leasing company's 401(k) retirement savings plan. The Organization provides matching contributions based on 75% of the first 6% contributed by the leased employee. Matching contributions for the years ended May 31, 2015 and 2014 amounted to \$79,078 and \$81,170 respectively. In addition, the Organization made safe harbor contributions of 3% of gross compensation for the years ended May 31, 2015 and 2014 amounting to \$89,255 and \$78,293, respectively.

**Note 5 - Concentration of Credit Risk:**

Financial instruments, which potentially subject the Organization to significant concentrations of credit risk, consist principally of cash and accounts receivable.

The Organization maintains cash balances at high credit quality financial institutions to limit the amount of credit exposure. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of May 31, 2015, cash balances exceeded federally insured limits by approximately \$500,000.

Concentrations of credit risk with respect to accounts receivable relates to the Organization's business activity. The Organization monitors this risk and does not anticipate losses beyond the allowance for doubtful accounts.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
d/b/a SUNSHINE 811  
(A Not-For-Profit Corporation)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Years Ended May 31, 2015 and 2014

**Note 6 - Commitments and Contingencies:**

Operating leases - The Organization leases office equipment under an operating lease with quarterly payments of \$1,109 including sales tax, expiring in 2018.

The Organization is committed to minimum lease payments, including state sales tax, as follows:

<u>Year ending May 31,</u>	
2015	\$ 4,435
2016	4,435
2017	4,435
2018	3,327
	<u>\$ 16,632</u>

The rent expense relating to these leases, including sales tax, amounted to \$4,435 and \$4,605 for the years ended May 31, 2015 and 2014, respectively.

Purchases - The Organization signed an agreement for software license, software usage, and disaster recovery for the ltrh mapping software. The agreement was renewed February 1, 2015 for a five-year term at an annual cost of \$203,000 and a total five-year cost of \$1,015,000 with implementation effective February 1, 2015, one year before the January 31, 2016 expiration of the current agreement, thereby providing an annual savings of \$35,000 versus operating under the fifth and last year of the current agreement at the annual cost of \$238,000.

On November 20, 2007, the Organization signed an agreement with a company to provide disaster recovery services and additional features in the event of a disaster. The term of the agreement was sixty months. The agreement automatically renews annually in November for twelve months at the current monthly rate of \$3,200. The Organization recorded a disaster recovery expense including this agreement and the mapping software agreement for the years ended May 31, 2015 and 2014 of \$449,180 and \$203,629, respectively.

The Organization has a maintenance agreement with Avaya for a three year term beginning June 2011 at an estimated total cost of \$54,595. The agreement has been extended for an additional three year term beginning July 2014 at an estimated total cost of \$39,746.

The Organization has renewed a lobbying agreement with a professional lobbyist for a one year term beginning October 2014 at a monthly cost of \$3,417.

The organization has contracted with a hotel to hold a strategic planning meeting in August 2015 with a minimum commitment of \$17,925.