

The cover features a background of blurred office workers. Overlaid on this are various data visualization icons: a line graph with an upward arrow, a bar chart, a network diagram, a magnifying glass, and circular progress indicators. Large, bold orange and grey diagonal stripes cross the page. The title 'ANNUAL REPORT' is in large white letters, with 'Fiscal Year 2022-23' below it. The Sunshine 811 logo is in the bottom left corner.

# ANNUAL REPORT

Fiscal Year 2022-23

**Sunshine 811**  
SUNSHINE811.COM

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## M I S S I O N

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

## V I S I O N

Florida, the safest place to dig.

# SAFETY IS IN YOUR HANDS. EVERY DIG. EVERY TIME.

To Our Valued Members & Stakeholders,

Sunshine 811 celebrated its 30th anniversary commemorating the organization's establishment by the Florida Legislature in 1993 to administer the Underground Facility Damage Prevention and Safety Act. We leveraged this moment in time to continue building on our mission and expanding our work in all directions.

We met with and continue to build relationships with our state legislators to ensure their awareness and support of our important work.

Our liaisons expanded their efforts to become ingrained with the communities, stakeholders and partners we serve. They invested thousands of education hours to meet with excavators, give industry presentations, reinforce the 811 process at industry trade shows, as well as constantly work one-on-one with stakeholders on damage prevention and problem-solves to the process.

We enhanced our outreach and partnerships with Florida's enforcement community to help officials understand their important role in enforcing Florida's safe digging law.

Throughout the year, we worked with and disseminated information to utilities and excavators that focused on ideas and solutions to recurring issues that impact the 811 process. We incorporated more real-life situations into our training and began revamping our internet ticket entry (ITE) quality assurance process.

On the consumer front, we directed educational outreach and advertising toward professional excavators and homeowners to build greater awareness and adoption of the safe digging process – leveraging key events and moments that included Safe Digging Month, hurricane season and 811 Day.

We created new resources to educate stakeholders on everything from: damages caused by top sources, steps and tips for safe digging and the stages of a citation. Awareness was concentrated in the counties and regions reporting the most damages.



Critical to our work are the incredible people and partners behind the scenes. This past year, we made it a priority to showcase individuals who carry out and reinforce the importance of digging safely, preventing damages and ensuring public safety.

As our outstanding call center team received and fulfilled the most requests to date (in 2022, 2.2 million+ locate tickets were processed), our leadership team and board of directors continued to work on solutions to key issues affecting the safe digging process. That work will continue this coming year as we review opportunities to update our systems and launch new initiatives.

As Florida continues to rank among the top states in the U.S. for construction activity, the role of Sunshine 811 and the 811 process are more vital than ever. Most importantly, it will take all of us working together like never before to accomplish shared goals centered on safety and underground damage prevention. Our work together will ensure Florida is the safest place to dig.

Thank you for your continued support.



A handwritten signature in black ink, appearing to read 'Mark Sweet'.

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Mark Sweet  
Executive Director  
Sunshine 811

# BY THE NUMBERS

## REVENUES

**\$ 10.7 million**

## EXPENSES

**\$ 8.9 million**

## TOTAL 811 LOCATE REQUESTS

**2.2 million**

## TOTAL LOCATE REQUESTS SENT TO UTILITY MEMBERS

**15.5 million**

# | Key Initiative: Education

The mission of Sunshine 811 is to promote and facilitate excavation safety and underground facility damage prevention. An efficient 811 system and the support of our stakeholders is necessary to fulfill our mission.

This year we worked with our staff on enhanced education, training and customer service to push the needle forward on making the system more efficient.

## I am 811

- Incorporated messaging stressing that all stakeholders play a role in the 811 system. And all stakeholders are responsible for carrying out their individual responsibilities under the law.



## Reducing Noise in the System

*Noise represents locate requests that detract from a locator's ability to process tickets and provide marks where and when they are really needed.*

- Reinstated our highly successful After the Call email campaign – a series of three emails sent at specific intervals throughout the 30-day ticket life to provide immediate education on the next steps within the process.
- Raised awareness of excessive renewals through Exactix training, liaison education and social media messaging.
- Sent separate emails to excavators and members on their responsibilities under the law and how action or inaction affects other stakeholders.
- Developed new education that emphasized providing quality ticket information, requesting only what can be completed within 30 days and clarifying when it's appropriate to renew a ticket.

## ITE Quality Control

- Using a "help us help you" approach, we developed letters addressing the most common mistakes made by our ITE users. The letters identified the error(s) and provided resolution instructions. For those needing more individualized assistance, our ITE Support Team worked with users one-on-one.
- Featured video to help ITE users know how to get help when needed!

## Damage Prevention Councils

We began laying the groundwork for regional Damage Prevention Councils to develop solutions on some of the industry's biggest challenges. It will serve as a forum for our stakeholders to build relationships in a neutral environment and gain understanding of how actions can affect the entire 811 System.

We look forward to bringing everyone together toward our mutual goal of damage prevention and safety.



**13,000**

PEOPLE  
EDUCATED



**7,335**

TOTAL  
EDUCATIONAL  
HOURS

# Key Initiative: Easy Access to Awareness Tools

We updated three plug-and play toolkits curated to reach a large, general audience. Each toolkit contained one or more of the following assets and resulted in 8,431 unique views and more than 300 downloads.

- News release, op-ed and email templates
- PSA for on-air read
- Video
- Special downloads
- Social media messaging
- Social media images

## Safe Digging Month Toolkit...

...a tried-and-true way to share the 811 message nationally throughout the month of April – a time when outdoor and home improvement projects, installing a mailbox, fence or deck are in full swing.

## After the Storm Toolkit...

...important messaging for precautions that excavators, homeowners and member utilities alike can take before a hurricane and during clean up and recovery to ensure personal safety and prevent further loss of essential utilities.

## 811 Day Toolkit...

...a timely reminder for Floridians with safe digging tips on avoiding underground utility dangers when completing summertime outdoor digging projects. It also keeps safety top of mind with 8/11 falling in the middle of hurricane season.

**STORM CLEANUP & RECOVERY**  
**DON'T ADD TO THE AFTERMATH**  
**811 BEFORE YOU DIG.**

Recovery and cleanup after a hurricane often take center stage with little thought of anything else for all involved. Repairing fences, cutting up trees, and even cleaning up debris are necessary and seemingly harmless actions. But if done incorrectly or without proper steps taken beforehand, an underground gas, electric or communications line could be hit and result in serious injuries, more service disruptions (think longer time without internet, tv or phone) and costly repairs.

**PREPARE BEFORE 811**

**CREATE A TICKET**

**AFTER THE STORM TOOLKIT DOWNLOAD**

**Please don't add to the aftermath.**

A utility locate request to Sunshine 811 by **phone** or **internet** is the first step for anyone digging or disturbing the earth in any way. Once notified, the utilities will visit your site to locate and mark their public utilities. Before beginning your project, check utility responses to see if any have been cleared or requested more information from you. You will need your ticket number and the contact phone number you provided.

Scroll down for common reasons you need 811 before storm clean up.

**DOWNED TREES**

Before cutting away tree debris, check for buried lines tangled in the roots. That buried line could be gas, electric or communications. In this photo the lines are irrigation (see the water rushing). But there might be more under there and you won't know for sure unless you contact 811 before you do any digging.

**FENCE REPAIR**

Fences are typically placed on property lines or easements. That's also where underground utilities can run. Get these lines marked before you begin replacing that fence, even if you're putting new fence posts where the old posts were. Why? The previous installation could have been inches away from a facility. If you have to widen the existing hole, you could hit that line.

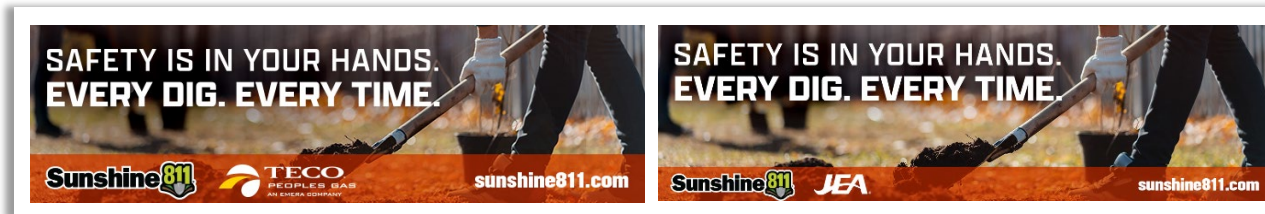
**STUMP GRINDING**

If a storm took your tree and all you have left is a stump, call 811 before you take a stump grinder to it. This photo shows a yellow flag and paint mark. That indicates a gas line runs near or directly underneath the stump. Getting these lines located and marked can help you avoid serious injury. Remember to contact 811.

# Key Initiative: Public Awareness

Sunshine 811 executed a number of public awareness campaigns to combine a mix of general awareness advertising and more targeted education-driving messages to build awareness of the safe digging process and prevent damages to underground utilities. Our key awareness initiatives:

- Radio and streaming advertising to build broad awareness among professional excavators on top radio stations and Spotify streaming.
- Digital display banners to reach new and existing 811 users with educational prospecting ads and ticket-focused retargeting ads.
- Google Performance Max to deliver digital ads across all of Google’s ad platforms (search, banners and YouTube). Ads targeted English – and Spanish–speaking contractors (focusing on light contractors, landscapers and fence installers) and homeowners.
- Partnered with member companies JEA and TECO Peoples Gas to place billboards in strategic locations throughout Safe Digging Month to reach excavators who spend more time on the road than the average person.



- Partnered with the Florida Nursery Growers and Landscaping Association (FNGLA) and the Florida Chapter of the American Fence Association to increase awareness of damages being caused by fencing and landscaping which, combined, are Florida’s greatest contributors of utility damages as identified and reported to Florida’s Virtual Private Damage Information Reporting Tool (DIRT).
- Deployed an email takeover to 2,500 members of the FNGLA to reinforce the 811 process, their role in improving the process, and specific tips to employ. A second campaign with the download, *10 Tips from Sunshine 811*, was sent to 11,000 FNGLA members (44% open rate).
- Created a compelling collateral piece featuring damage prevention tips for fencing and landscaping companies that we shared in an email campaign to 1,400 Florida-based fencing and landscaping companies and distributed at The Landscape Show.
- Deployed strategic emails to a database of approximately 52,000 excavators and 1,000 members to reinforce the 811 process, excavator/member roles in improving the process, and overall shared goals.
- Delivered new video, 811-Day toolkit assets, two to three plants and a Sunshine 811 cake to news desks and anchors at radio and television stations (CBS, ABC, NBC, Spectrum, FOX affiliate, and three iHeart stations) in Central Florida.
- Deployed a statewide media pitching campaign, securing 20 media placements of our news story for 811 Day.



# Key Initiative: Public Awareness



## GOOGLE PERFORMANCE MAX

**955,993** Impressions

**28,430** Clicks

**3.5%** Conversion rate

**38%** Homeowner CTR\*

**20%** English contractor CTR\*

**1%** Spanish excavator CTR\*

*Note: Google Performance Max featured digital advertising to drive those further along in the digging process to Exactix.*

\* Click through rate

## DIGITAL DISPLAY BANNERS

**3.6 mil** Impressions



**21,400** Clicks

**.23%** Click through rate

*Note: Broad awareness advertising targeting those most likely to dig.*

## WEB TRAFFIC GROWTH



**25%** Total sessions

**43%** Unique users

**56%** New users

**18%** Page views



**Radio**

**8 mil**

impressions



**Outdoor Billboard**

**25.2 mil**

impressions



**Social**

**386%**

Increase in web referrals

# | 2022 City & County Report

## **Membership**

The Florida League of Cities represents more than 400 cities, towns and villages in the State. A total of 329 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 fiscal year 2022-2023. The new municipal member and the date it began actively participating in Sunshine 811 is listed below. Two new municipalities have applied for membership but are not yet configured to receive tickets.

- Town of Lake Park                                  2/13/2023

## **New Counties**

There are 67 counties in Florida. The total number of counties that are active members is 44.

- Gadsen County School Board                  3/9/2023

## **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.



# Officers and Committee Chairs



**Mike Borg**  
*Chair*  
City of Lakeland Water



**Michelle Johnson**  
*Vice Chair*  
Duke Energy



**Dino Farruggio**  
*Treasurer*  
AT&T



**Shawn Deutscher**  
*Secretary*  
Williams/Gulfstream  
Natural Gas System



**Steven Marshall**  
*Operations Committee Chair*  
Charter Communications



**Pedro Vigil**  
*Damage Prevention Committee  
Chair*  
Miami-Dade Water & Sewer  
Department



**Bruce Kershner**  
*Legislative Ad Hoc Committee Chair*  
R. Bruce Kershner Co.



**David Parham**  
*ByLaws and Policies Ad Hoc  
Committee Chair*  
FGT



**Wayne Flowers**  
Sunshine 811 Legal Counsel,  
Lewis, Longman & Walker, PA

# Directors



Vernon Burell  
Frontier Communications



Tracey Cottrell  
SECO



Warren DiNapoli  
JEA



Oscar Estrada  
City of Tampa Water



Joe Heatherly  
FPL



Lisa Jackson  
Hillsborough County  
Public Utilities Dept.



Kris Kelley  
TECO Peoples Gas



John Lambert  
Reedy Creek Energy  
Services



Marie Mancuso  
Geopoint Surveying, Inc.



Tiny Reese  
S&N Communications



Phillip Reynolds  
TECO Energy



Carlos Solis  
Pinellas County Utilities

# | FY Financials

## **Sunshine State One Call of Florida, Inc.**

DBA Sunshine 811

Financial Statements

*Years Ended May 31, 2023 and 2022*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Sunshine State One-Call of Florida, Inc.  
Winston-Salem, North Carolina

### ***Opinion***

We have audited the accompanying financial statements of Sunshine State One-Call of Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of May 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 Sunshine State One-Call of Florida, Inc. as of May 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 Sunshine State One-Call of Florida, Inc. 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.

### ***Prior Period Financial Statements***

The financial statements of Sunshine State One-Call of Florida, Inc. as of May 31, 2022 and 2021, were audited by other auditors whose report dated July 22, 2022 expressed an unmodified opinion on those statements.

### ***Responsibilities of Management for the Financial Statements***

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

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 generally accepted auditing standards, 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 Sunshine State One-Call of Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sunshine State One-Call of Florida, Inc.'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.

*BMC, CPAs*

New Smyrna Beach, FL  
October 23, 2023



SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
STATEMENTS OF FINANCIAL POSITION  
May 30, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
Cash and cash equivalents	\$ 8,394,321	\$ 5,265,588
Accounts receivable, net	1,547,115	1,191,458
Prepaid and other assets	418,758	317,217
Investments	939,138	2,300,903
Property and equipment, net	1,745,822	1,980,718
Deposits	53,675	22,398
TOTAL ASSETS	\$ 13,098,829	\$ 11,078,282
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 140,145	\$ 82,144
Accrued liabilities	796,404	619,203
Deferred revenue	36,096	34,502
TOTAL LIABILITIES	972,645	735,849
<u>NET ASSETS</u>		
Without donor restrictions:		
Net assets invested in property and equipment	1,745,822	1,980,718
Undesignated	10,380,362	8,361,715
TOTAL NET ASSETS	12,126,184	10,342,433
TOTAL LIABILITIES AND NET ASSETS	\$ 13,098,829	\$ 11,078,282

See Independent Auditor's Report and Notes to Financial Statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
STATEMENTS OF ACTIVITY  
For the Years Ended May 30, 2023 and 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Member fees	\$ 10,659,421	\$ 8,683,601
Investment income	33,562	3,649
Interest on cash and cash equivalent	4,961	-
Miscellaneous income	4,106	7,684
TOTAL SUPPORT AND REVENUE	10,702,050	8,694,934
EXPENSES		
Program services	6,887,812	6,125,876
General and administrative	2,030,487	1,980,113
TOTAL EXPENSES	8,918,299	8,105,989
CHANGE IN NET ASSETS	1,783,751	588,945
NET ASSETS AT BEGINNING OF YEAR	10,342,433	9,753,488
NET ASSETS AT END OF YEAR	\$ 12,126,184	\$ 10,342,433

See Independent Auditor's Report and Notes to Financial Statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended May 30, 2023

	Programs Services	General and Administrative	Total
Salaries and wages	\$ 4,440,542	\$ 1,084,575	\$ 5,525,117
Computer and software maintenance	312,330	82,362	394,692
Advertising	563,756	68,457	632,213
Communication	384,496	261,293	645,789
Legal and professional fees	-	148,000	148,000
Repairs and maintenance	303,305	55,607	358,912
Equipment rent expense	8,023	1,721	9,744
Office expenses	390,299	54,976	445,275
Meetings and seminars	63,356	78,598	141,954
Insurance	12,440	87,358	99,798
Utilities	30,134	8,880	39,014
Travel	25,551	835	26,386
Property taxes	26,052	6,513	32,565
Income tax expense (benefit)	-	9,430	9,430
Depreciation and amortization	327,528	81,882	409,410
	<u>\$ 6,887,812</u>	<u>\$ 2,030,487</u>	<u>\$ 8,918,299</u>

See Independent Auditor's Report and Notes to Financial Statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended May 30, 2022

	<u>Programs Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 4,104,539	\$ 1,074,936	\$ 5,179,475
Computer and software maintenance	325,398	82,070	407,468
Advertising	269,089	42,019	311,108
Communication	398,387	250,521	648,908
Legal and professional fees	-	157,296	157,296
Repairs and maintenance	224,249	42,441	266,690
Equipment rent expense	5,745	1,233	6,978
Office expenses	343,943	61,655	405,598
Meetings and seminars	34,498	81,262	115,760
Insurance	19,254	81,047	100,301
Utilities	28,380	8,346	36,726
Travel	10,946	349	11,295
Property taxes	25,225	6,306	31,531
Income tax expense (benefit)	-	9,660	9,660
Bad debt expense	12,337	-	12,337
Depreciation and amortization	323,886	80,972	404,858

See Independent Auditor's Report and Notes to Financial Statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended May 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,783,751	\$ 588,945
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	409,410	404,858
Bad debt expense	-	12,337
Changes in operating assets and liabilities:		
Accounts receivable, net	(355,657)	53,076
Prepaid and other assets	(132,818)	109,646
Accounts payable and accrued liabilities	235,202	10,077
Deferred revenue	1,594	(1,212)
	<u>1,941,482</u>	<u>1,177,727</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Purchase of investments	(84,807)	(1,921,818)
Proceeds from sales of investments	1,446,570	2,339,505
Purchase of property and equipment	(174,512)	(189,205)
	<u>1,187,251</u>	<u>228,482</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
	<u>3,128,733</u>	<u>1,406,209</u>
<b>NET INCREASE IN CASH</b>		
	<u>5,265,588</u>	<u>3,859,379</u>
<b>CASH, BEGINNING OF YEAR</b>		
	<u>\$ 8,394,321</u>	<u>\$ 5,265,588</u>
<b>CASH, END OF YEAR</b>		
	<u>\$ 8,394,321</u>	<u>\$ 5,265,588</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for income taxes	\$ 9,430	\$ 9,660
	<u>\$ 9,430</u>	<u>\$ 9,660</u>

See Independent Auditor's Report and Notes to Financial Statements.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
May 30, 2023 and 2022

**Note A: Summary of Significant Accounting Policies**

The following is a summary of the more significant accounting policies and practices of Sunshine State One-Call of Florida, Inc. d/b/a Sunshine 811 (the Organization), which affect significant elements of the accompanying financial statements:

Organization and purpose

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 accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP), which recognizes revenue when earned and expenses when incurred.

Basis of presentation

Net assets, revenues and expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions*—Net assets that are not subject to donor-imposed stipulations.

*Net assets with donor restrictions*—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Organization and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There are no net assets with donor restrictions as of May 31, 2023 and 2022.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by laws.

Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, and investments in highly liquid debt instruments with an initial maturity of three months or less at the time of purchase.

Accounts receivable

Accounts receivable consists of monthly billings to clients for services. As of May 31, 2023 and 2022, accounts totaled \$1,572,115 and \$1,216,458, respectively. The Organization performs periodic evaluations of the collectability of its receivables and does not require collateral on its accounts receivable. Losses on uncollectible receivables are provided for in the financial statements based on management's expectations. As of May 31, 2023 and 2022, the Organization recorded an allowance for doubtful accounts of \$25,000. Actual write-offs may exceed the allowance.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 May 30, 2023 and 2022

**Note A: Summary of Significant Accounting Policies (Continued)**

Investments

Investments are stated at fair value, with the exception of certificates of deposit which are recorded at cost plus accrued interest, which approximates fair value. To calculate realized gain or loss on the disposition of investments and unrealized gains and losses, cost is determined by specific identification. All gains and losses and ordinary income from investments are accounted for as unrestricted revenue unless it is restricted for a specified purposes by a donor. Investments in shares of registered investment companies are valued at quoted market prices, which represent the value of shares held by the Organization at year-end. Money market and short-term investments are carried at the fair value established by the issuer.

Property and equipment

The Organization's policy requires that all property and equipment purchased or donated with a value or cost of \$5,000 or more to be capitalized. Purchased property and equipment is capitalized at cost. Donation of property and equipment are recorded as contributions at their estimated fair value. Maintenance and repairs are charged to expense as incurred. When items of property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation are eliminated, and any gain or loss is included in operations. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 3 to 40 years, as listed below. Assets donated with explicit restrictions are reported as contributions with donor restrictions. Absent donor stipulations regarding how long donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Buildings and improvements	5 - 40 years
Communication equipment	5 - 7 years
Vehicles	5 years
Furniture, fixtures and office equipment	5 - 10 years
Computers and equipment	3 - 5 years
Software	3 - 10 years

Deferred revenue

Deferred revenue is recorded when the Organization receives membership payments in at the start of the membership term. Revenue is recognized ratably over the term of the membership. At May 31, 2023 and 2022, deferred revenue totaled \$36,096 and \$34,502, respectively.

Advertising

The Organization expenses advertising costs as incurred. Advertising and promotion expenses for the years ended May 31, 2023 and 2022, were \$632,213 and \$311,108, respectively.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
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**Note A: Summary of Significant Accounting Policies (Continued)**

Income taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code (IRC). The Organization periodically assesses whether it has incurred income tax expense or related interest or penalties in accordance with accounting for uncertain tax positions. The Organization incurred federal income tax expense (benefit) in the amount of \$9,430 and \$9,660 for the years ended May 31, 2023 and 2022, respectively, as a result of lobbying expense paid during 2023.

The Organization files income tax returns in the U.S. federal jurisdiction. Tax returns for the Organization for the past three years are subject to examination by tax authorities. The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

Revenue recognition

The Organization bills members on an assessment-based billing system. All members who have more than twelve months of billing history 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. The Organization also offers a \$150 annual associate membership which allows any entity that has an interest in underground facility damage prevention and is qualified to do business in Florida to request design tickets from primary members. This membership is billed annually and recognized over a 12-month period. All of membership revenue is recognized as performance obligations are satisfied, which is ratably over the membership term.

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 certain reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Subsequent events

Management has evaluated subsequent events through October 23, 2023, the date the financial statements were available to be issued. There have been no subsequent events identified requiring recognition or disclosure.

Recently issued accounting pronouncements

The Financial Accounting Standards Board (FASB) and other entities issued new or modifications to, or interpretations of existing accounting guidance during the year. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021, and may be adopted early. The Organization adopted this standard during the fiscal year ended May 31, 2023, but it had no impact on the financial statements.



SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
 NOTES TO FINANCIAL STATEMENTS  
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**Note B: Liquidity and Availability**

The Organization's management monitors its liquidity so that it is able to cover operating expenses and other costs related to special projects. Management budgets for such costs based on the prior year actual expenses and anticipated future expenses. Budgets are approved by the Board in February for the following year. Fees for services are collected up-front and deferred until earned. Organization funds are invested conservatively with the primary objective of preservation of capital (including diversification of risk of institutional failure) and liquidity in order to provide sufficient cash to meet obligations in a timely manner. The Organization has operating fund and dedicated reserve fund policies with target balances of financial assets of \$1,000,000 and \$4,000,000, respectively, to provide for the payment of regular monthly operating expenses, capital asset purchases and replacement, and emergency business restoration expenses. The Organization sets the membership fees at the beginning of the new fiscal year, and those fees remain in effect all year. Potential shortfalls may be offset by utilizing the dedicated reserve funds.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of May 31, 2023 and 2022:

	2023	2022
Cash and cash equivalents	\$ 8,394,321	\$ 5,265,588
Investments	939,138	2,300,903
Accounts receivable	1,547,115	1,191,458
	\$ 10,880,574	\$ 8,757,949

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note C: Investments**

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's financial instruments consist principally of cash and cash equivalents, certificates of deposit, other receivables, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants.

Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

*Level 1:* Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

*Level 2:* Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

*Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
NOTES TO FINANCIAL STATEMENTS  
May 30, 2023 and 2022

**Note C: Investments (Continued)**

Investments held by the Organization at May 31, 2023 and 2022, consisted of brokered certificates of deposit with maturities of less than two years from the latest balance sheet date and are unrestricted. The fair value of the brokered certificates of deposit was determined based on Level 2 inputs. There have been no changes in Level 1, Level 2, and Level 3; there were no purchases, issues, or transfers in or out of Level 3; and no changes in valuation techniques for these assets or liabilities for the years ended May 31, 2023 and 2022.

*Brokered certificates of deposit* – The carrying value of brokered certificates of deposit purchased approximates the fair value for these instruments. The fair value of brokered certificates of deposits purchased is primarily based on interest rate yield curves, new issuance data, as well as other economic and market factors.

At May 31, investments consisted of the following:

	<u>Fair Value</u>	<u>Markets for Identical Assets (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
May 31, 2023:				
Registered Investment Companies				
Brokered certificates of deposit	\$ 939,138	\$ -	\$ 939,138	\$ -
Total assets in fair value hierarchy	<u>\$ 939,138</u>	<u>\$ -</u>	<u>\$ 939,138</u>	<u>\$ -</u>
May 31, 2022:				
Registered Investment Companies				
Brokered certificates of deposit	\$ 2,300,903	\$ -	\$ 2,300,903	\$ -
Total assets in fair value hierarchy	<u>\$ 2,300,903</u>	<u>\$ -</u>	<u>\$ 2,300,903</u>	<u>\$ -</u>

Investment income on the above investments for the years ended May 31, 2023 and 2022, were \$33,562 and \$3,649, respectively.

SUNSHINE STATE ONE-CALL OF FLORIDA, INC.  
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**Note D: Property and Equipment**

Property and equipment at May 31, consists of the following:

	2023	2022
Land	\$ 249,956	\$ 249,956
Buildings and improvements	1,740,538	1,740,538
Communication equipment	199,504	199,504
Vehicles	145,797	145,797
Furniture, fixtures, and office equipment	495,619	495,619
Computer and Software	4,013,022	3,895,895
	6,844,436	6,727,309
Less: Accumulated depreciation	(5,098,614)	(4,746,591)
Property and equipment, net	\$ 1,745,822	\$ 1,980,718

Depreciation expense for the years ended May 31, 2023 and 2022, were \$409,410 and \$404,858, respectively.

**Note E: Retirement 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 up to 4.5% of employee compensation. Matching contributions for the years ended May 31, 2023 and 2022, were \$117,755 and \$128,481, respectively. In addition, the Organization made safe harbor contributions of 3% of gross compensation for the years ended May 31, 2023 and 2022, were \$125,223 and \$116,893, respectively.

**Note F: Concentration of Credit Risk**

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

The Organization manages deposit concentration risk by placing cash, money market accounts, certificates of deposit with financial institutions believed to be creditworthy, and brokered certificates of deposit with brokerage firms. The Organization requires funds to be maintained in accounts insured under the Federal Deposit Insurance Corporation (FDIC) or backed by the full faith and credit of the United States Government. At times, amounts on deposit may exceed insured limits set by the FDIC due to anticipated operating cash flow needs of the Organization or accrued interest. To date, no losses have been experienced in any of these accounts. The Organization maintains investments with a brokerage firm. The funds with the brokerage firm are insured up to \$500,000 by the Securities Investor Protection Corporation.

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.  
NOTES TO FINANCIAL STATEMENTS  
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**Note G: Commitments and Contingencies**

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Organization but which will only be resolved when one or more future events occur or fail to occur. The Organization's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Organization's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

**SAFETY IS IN YOUR HANDS.  
EVERY DIG. EVERY TIME.**

