



# UDIG·NY

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## 2023 Annual Report Supplemental Documents



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## **Our Mission**

Prevent damages to underground facilities and protect the public through education and quality communications with excavators, underground facility operators and designers in an efficient, courteous and cost-effective manner while complying with governing regulations.

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## 2023 Annual Meeting Minutes

Minutes from the Annual Meeting of the Members April 25, 2023.

**The 53rd Annual Meeting of the Members of UDig NY, Inc. was called to order by President, Matt Scorzelli, at 10:00 am in a hybrid fashion with some virtual attendance and some in person attendance at the UDig NY Center for Damage Prevention on April 25, 2023.**



President Scorzelli thanked Governor Kathy Hochul, and the Public Service Commission for their continued support of UDig NY's damage prevention initiatives and recognized the celebration of National Safe Digging Month. President Scorzelli asked Secretary, Dan FitzPatrick, to read the Notice of the Annual Meeting. Secretary FitzPatrick read the notice of annual meeting and advised that at least 30% of the voting membership were represented, constituting a quorum under the Corporation's Bylaws.

President Scorzelli recognized the Directors that left the Board of Directors in the last year; thanking Dwight Buchanan from Charter Communications and Dan FitzPatrick, who was leaving the Board following this Annual Business Meeting, for their dedication to underground utility protection and honored them with the Golden Spade Award.

President Scorzelli acknowledged the participating and sustaining members and noted a full list is available with the Annual Report video and on the UDig NY website

President Scorzelli indicated that supplemental meeting documents were provided to each pre-registered attendee. He then called for approval of the 2022 Annual Business Meeting minutes. Leon Hacker made a motion to approve the minutes, David Lammon made a second to the motion. A unanimous vote passed the motion. President Scorzelli called for a motion to accept the Treasurer's Report as presented in the supplemental meeting documents. A motion to accept the Treasurer's report was made by Leon Hacker. A second to the motion was made by David Lammon. A unanimous vote passed the motion. President Scorzelli then asked if there was any old business from the 2022 Annual Business Meeting and there was none. President Scorzelli then asked if there was any new business for this year's meeting and again there was none.

# 2023 Annual Meeting Minutes

Tom Sutton provided the Nominating Committee report.

Candidate	Company	Industry	Status	Term
Michael Garick	Con Edison of New York	Gas & Electric	Non-Exempt	3-year term expiring April 2026
Giancarlo Romero	Avangrid, Inc.	Gas & Electric	Non-Exempt	3-year term expiring April 2026
Lance Ryon	Charter/Spectrum Communications	Cable TV	Non-Exempt	3-year term expiring April 2026
Ron Dietz	National Fuel Gas	Gas	Non-exempt	3-year term expiring April 2026
Keith Wallenstein	Orange & Rockland Utilities	Gas	Non-Exempt	3-year term expiring April 2026
Brandon Mariner	Central Hudson Gas & Electric Corp	Gas & Electric	Non-Exempt	3-year term expiring April 2026



## 2023 Annual Meeting Minutes

Upon completion of the 2023 elections, the exact number of Board of Directors positions will continue to be 17, with each class or group classification set as follows:

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"6" Director positions to be elected in 2024

"5" Director positions to be elected in 2025

"6" Director positions to be elected in 2026

Eleven (11) representatives from the non-exempt participating member group

Three (3) representatives from the exempt participating members group

Three (3) representatives from the sustaining members group

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Cable TV (1)

Gas & Electric (4)

Contractors (2)

Pipeline (3)

Design/Engineers (2)

Telecommunications (1)

Gas (2)

Water (2)

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President Scorzelli called for a motion to elect the Directors for the designated terms. Leon Hacker made a motion to elect the Directors for the designated terms of office. David Lammon made a second to the motion. A unanimous vote passed the motion.

President Matt Scorzelli called for a resolution of support. Leon Hacker stated, "Be it resolved that all acts of the Officers and Directors of the Corporation from the date of their election until the end of this meeting be and they hereby are, in all respects ratified, confirmed, and approved." President Scorzelli then appointed Michael Bass to serve as the interim officer of UDig NY, Inc. with duties to convene at a corporate meeting at 11:00 a.m. the same day for election of officers and the transaction of normal business. Michael Bass then thanked everyone for attending and indicated that immediately following the adjournment of the meeting virtual award presentations and the Annual Report video would play. Leon Hacker made a motion to adjourn. Tom Sutton made a second to the motion. A unanimous vote passed the motion.

## Treasurer's Report

For the 2023 calendar year UDig NY experienced a slight drop in location requests of approximately 2.08% to 577,600 location requests handled by the firm. Despite the drop in location requests the firm ended the year with over \$6.7 million in total cash and equivalents, an increase of about \$400,000 from 2022. Total assets exceeded \$15 million with total liabilities approximately \$4.3 million. The firm finished its eleventh year in a row with a net positive income.

Careful stewardship of all financial resources is one of the key objectives of the Board of Directors and the Executive Director. Together this team manages the firm's finances to achieve its main goal of damage prevention to underground utilities.

We are continuing our relationship with Morgan Stanley to provide professional investment guidance and offer appropriate investment vehicles that are suitable for not-for-profit firms. This relationship has provided UDig NY access to capital market and investment research that has proven beneficial in achieving our financial goals.

The Board of Directors, Budget and Finance Committee and the Executive Director perform monthly review of the firm's income, expenses, and investments. Morgan Stanley provides regular reports to the Board of Directors on the firm's investments. They also provide guidance on the investment policy. The firm has adopted an investment policy that is suitable for not-for-profit firms.

UDig NY financials are audited by an outside accounting firm to ensure conformance with all GAAP standards and requirements. In addition, UDig NY is in conformance with all regulatory requirements

We will continue to strive to improve our transparency and remain accountable to all members.

Attachments to this report include the following.

1. Independent Auditors Report Letter  
(Complete Auditors Report available upon request)
2. Statement of Assets
3. Liabilities and Net Assets
4. Statement of Activities

Respectfully submitted,



Michael J. Bushart—Treasurer

# Independent Auditor's Report Letter

## Opinion

We have audited the accompanying financial statements of UDig NY, Inc. FKA Dig Safely New York, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 UDig NY, Inc. FKA Dig Safely New York, Inc. as of December 31, 2023 and 2022, 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.

## Basis for Opinion

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

## 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.

## Independent Auditor's Report Letter

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

## Statement of Financial Position

Years ended December 31, 2023 and 2022

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$1,831,576	\$2,005,778
Accounts receivable, net	\$738,642	\$779,893
Accounts receivable - other	\$ 45,587	\$0
Prepaid expenses	\$210,215	\$123,332
<b>Total Current Assets</b>	<b>\$2,826,020</b>	<b>\$2,909,003</b>
<b>Property &amp; Equipment</b>		
Land	\$516,216	\$516,216
Buildings	\$7,696,754	\$7,686,153
Furniture & fixtures	\$683,284	\$681,984
Computers & equipment	\$88,642	\$88,642
Automobiles and trucks	\$110,318	\$35,637
Software	\$560,000	\$560,000
	\$9,655,214	\$9,568,632
Less accumulated depreciation	\$2,112,066	\$1,706,630
<b>Net Property &amp; Equipment</b>	<b>\$7,543,148</b>	<b>\$7,862,002</b>
<b>Other Assets</b>		
Investments—Note D	\$4,910,779	\$4,375,071
Other assets—Note G	\$40,962	\$66,854
Total Other Assets	\$4,951,741	\$4,441,925
<b>Total Assets</b>	<b>\$15,320,909</b>	<b>\$15,212,930</b>
<b>Liabilities &amp; Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$141,891	\$121,915
Accrued expenses	\$74,038	\$62,952
Deferred revenue	\$15,599	\$15,817
Current portion of long-term debt—NOTE G	\$197,667	\$190,375
<b>Total Current Liabilities</b>	<b>\$429,195</b>	<b>\$391,059</b>
Long-Term Debt Less Current Portion & Unamortized Debt Issuance Costs—NOTE G	\$4,030,353	\$4,228,021
<b>Net Assets—Without donor restrictions</b>		
Undesignated	\$10,629,774	\$10,407,850
Board-designated—NOTE C	\$231,587	\$186,000
<b>Total Net Assets</b>	<b>\$10,861,361</b>	<b>\$10,593,850</b>
<b>Total Liabilities and Net Assets</b>	<b>\$15,320,909</b>	<b>\$15,212,930</b>

## Statement of Activities

Years ended December 31, 2023 and 2022

	2023	2022
<b>Revenue</b>		
Member billings and dues	\$5,040,804	\$5,372,915
Sponsorship & excavator seminar revenue	\$210,272	\$236,589
Grant revenue	\$45,587	\$10,000
Gain on sale of asset	\$52,873	\$0
Educational services	\$72,491	\$79,136
<b>Total Revenue</b>	<b>\$5,422,027</b>	<b>\$5,698,640</b>
<b>Expenses</b>		
Program services	\$3,727,874	\$3,737,654
Management & general	\$2,028,687	\$1,881,716
<b>Total Expenses</b>	<b>\$5,756,561</b>	<b>\$5,619,370</b>
<b>Net Operating Income (LOSS)</b>	<b>\$(334,534)</b>	<b>\$79,270</b>
<b>Non-Operating Income (Expenses)</b>		
Net investment gains (losses)	\$530,482	\$(657,395)
Change in fair value of interest rate swap—NOTE G	\$(25,891)	\$536,110
Interest	\$97,454	\$77,739
	<b>\$602,045</b>	<b>\$(43,546)</b>
<b>Changes In Net Assets</b>	<b>\$267,511</b>	<b>\$35,724</b>
<b>Net Assets</b>		
Beginning of year	\$10,593,850	\$10,558,126
End of year	\$10,861,361	\$10,593,850

Notes: For a copy of the full Independent Auditors Report with notes mentioned please contact Amber Hadley, amhadley@UDigNY.org

## Statement of Functional Expenses

Years ended December 31, 2023 and 2022

	2023			2022		
	Program Services	Management/ General	Total	Program Services	Management/ General	Total
Salaries & wages	\$1,499,619	\$1,208,557	\$2,708,176	\$1,559,720	\$1,105,108	\$2,664,828
Payroll taxes	\$114,703	\$92,440	\$207,143	\$119,938	\$84,980	\$204,918
Employee benefits	\$325,680	\$262,469	\$588,149	\$240,062	\$174,399	\$414,461
Advertising	\$27,014	\$0	\$27,014	\$5,591	\$0	\$5,591
Communication	\$187,723	\$32,933	\$220,656	\$181,934	\$33,463	\$215,397
Contracted services	\$28,755	\$0	\$28,755	\$28,587	\$0	\$28,587
Contracts & licenses	\$164,618	\$18,291	\$182,909	\$152,949	\$16,994	\$169,943
Depreciation	\$322,459	\$107,487	\$429,946	\$381,855	\$127,285	\$509,140
Insurance	\$54,443	\$17,611	\$72,054	\$51,025	\$16,468	\$67,493
Interest	\$131,408	\$43,803	\$175,211	\$143,458	\$47,820	\$191,278
Miscellaneous	\$13,903	\$9,270	\$23,173	\$13,904	\$9,271	\$23,175
Office	\$9,594	\$28,780	\$38,374	\$10,111	\$30,334	\$40,445
Pension	-	-	-	\$62,240	\$39,792	\$102,032
Professional Development	\$9,354	\$0	\$9,354	\$7,200	\$0	\$7,200
Professional fees	\$30,000	\$101,849	\$131,849	\$30,000	\$81,754	\$111,754
Promotional & public education	\$495,164	\$0	\$495,164	\$438,686	\$0	\$438,686
Provision for doubtful accounts	-	-	-	\$1,887	\$0	\$1,887
Repairs & maintenance (Equipment)	\$143,531	\$15,948	\$159,479	\$160,018	\$17,780	\$177,798
Repairs & maintenance (Facilities)	\$47,775	\$15,925	\$63,700	\$46,528	\$15,509	\$62,037
Seminars and meetings	\$0	\$37,197	\$37,197	\$0	\$46,155	\$46,155
Travel	\$104,591	\$30,281	\$134,872	\$77,885	\$26,578	\$104,463
Utilities	\$17,540	\$5,846	\$23,386	\$24,076	\$8,026	\$32,102
<b>Total</b>	<b>\$3,727,874</b>	<b>\$2,028,687</b>	<b>\$5,756,561</b>	<b>\$3,737,654</b>	<b>\$1,881,716</b>	<b>\$5,619,370</b>

## Statement of Cash Flows

Years ended December 31, 2022 and 2021

	2023	2022
<b>Cash Flows From Operating Activities</b>		
Changes in net assets	\$267,511	\$35,724
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	\$429,946	\$509,140
Net realized/unrealized (gains) losses on investments	\$(530,482)	\$657,395
Provision for doubtful accounts	\$0	\$1,887
Gain on sale of assets	\$(52,873)	\$0
(Increase) decrease in accounts receivable	\$41,251	\$(20,358)
Increase in accounts receivable - other	\$(45,587)	\$0
Increase in prepaid expenses and other assets	\$(60,991)	\$(67,000)
Increase (decrease) in accounts payable	\$19,976	\$(146,673)
Increase in accrued expenses	\$11,086	\$18,488
Increase (decrease) in deferred revenue	\$(218)	\$4,667
Decrease in other liabilities	\$0	\$(469,257)
<b>Net Cash Provided by Operating Activities</b>	<b>\$79,619</b>	<b>\$524,013</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property & equipment	\$(122,219)	(\$6,875)
Proceeds from sale of assets	\$64,000	\$0
Proceeds from sale of investments	\$746,896	\$659,903
Purchase of investments	\$(752,122)	(\$1,732,608)
<b>Net cash used in investing activities</b>	<b>\$(63,445)</b>	<b>(\$1,079,580)</b>
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	\$(190,376)	\$(182,914)
<b>Net cash used in financing activities</b>	<b>\$(190,376)</b>	<b>\$(182,914)</b>
<b>Net decrease in cash &amp; cash equivalents</b>	<b>\$(174,202)</b>	<b>\$(738,481)</b>
<b>Cash &amp; Cash Equivalents</b>		
Beginning of year	\$2,005,778	\$2,744,259
End of year	\$1,831,576	\$2,005,778
<b>Supplementary Cash Flows Information</b>		
Interest Paid	\$172,156	\$179,560
<b>Non-Cash Transactions</b>		
Interest, dividends & realized gains reinvested	\$135,408	\$107,697
Investment fees paid	\$37,954	\$35,003

## Balance End of Year (EOY)

Last 15 Years

Year	Balance	Year	Balance	Year	Balance
2009	\$2,571,500	2014	\$3,065,902	2019	\$4,627,534
2010	\$2,900,404	2015	\$2,945,629	2020	\$5,543,644
2011	\$2,967,419	2016	\$3,725,291	2021	\$6,704,020
2012	\$2,203,724	2017	\$4,427,939	2022	\$6,380,849
2013	\$2,604,159	2018	\$3,895,785	2023	\$6,742,355

## Total Income/Total Expenses

Last 15 years

Year	Income	Expense	Year	Income	Expense	Year	Income	Expense
2009	\$2,914,804	\$2,933,166	2014	\$4,376,780	\$4,258,435	2019	\$6,080,740	\$5,150,708
2010	\$3,450,087	\$3,191,547	2015	\$4,695,861	\$4,385,709	2020	\$5,403,231	\$5,222,071
2011	\$3,455,853	\$3,498,894	2016	\$4,871,430	\$4,170,468	2021	\$5,697,761	\$5,346,225
2012	\$3,981,874	\$3,770,681	2017	\$5,510,068	\$4,369,014	2022	\$5,698,640	\$5,619,370
2013	\$4,088,661	\$3,936,399	2018	\$5,383,243	\$4,368,876	2023	\$5,422,027	\$5,756,561

## 2024 Projected Budget

Budget Item	Balance
Projected Income	\$5,515,552
Projected Expense	\$6,305,704

# Annual One-Call Notification System Report



**Department  
of Public Service**



## Enforcement Activity for 2023

The first table shows the number of New York State Code Rule 753 (16 NYCRR Part 753) probable violations issued by the Department of Public Service, Pipeline Safety Section which occurred during the 2023 calendar year

Of the 309 probable violations issued in 2023, 80 were the result of Staff investigation and the other 229 were from enforcement requests submitted by operators or the general public.

The second table provides a breakdown of violations resolved in 2023, including the amount collected, and the methods by which enforcement cases were resolved.

Some of the enforcement cases resolved in 2023 were based on violations issued in prior years. Likewise, some enforcement cases initiated in 2023 have not yet been resolved. Therefore, the two tables above are not based on synchronized sets of data. It is also worth noting that this data represents primarily only the Pipeline Safety Section's enforcement efforts and not that of other utility industry sectors (e.g., electric, telecommunications, etcetera). Also, Staff will be collecting emissions data from escaped gas on damaged pipeline incidents to calculate environmental impacts.

The Pipeline Safety Section continued its program of working with the major gas local distribution companies (LDCs) whereby enforcement is initiated based on information LDCs provide on damages caused by lack of a one-call notice. This accounts for the high percentage of violations having been issued for failure to notify, as indicated above.

Violation	Citations
Failure to Notify	201
Improper Notification	4
Failure to Renotify	6
Failure to Report or Stop Work	2
Failure to Maintain Mark-Outs	6
Failure to Verify Location	18
Failure to Maintain Clearance	16
Inaccurate Mark-Out	27
Improper Support or Backfill	5
Other	24
<b>Total:</b>	<b>309</b>

Resolution	Cases	Amount Collected
Commission Orders	43	\$113,500
Referred to Attorney General	122	\$255,445
Uncontested Penalties	92	\$462,500
Consent Orders	37	\$47,600
Resolved Without Penalty <sup>2</sup>	41	-
Warning Letters	4	-
<b>Totals:</b>	<b>339</b>	<b>\$879,045</b>

<sup>1</sup> Staff investigations were initiated by either the Gas Emergency Notification System or were through voluntary incident notification reporting by gas operators.

<sup>2</sup> This number includes enforcement actions dropped due to cause, the inability to properly serve the correct entity, or resolved through training alone.

## Damages per 1,000 Location Requests

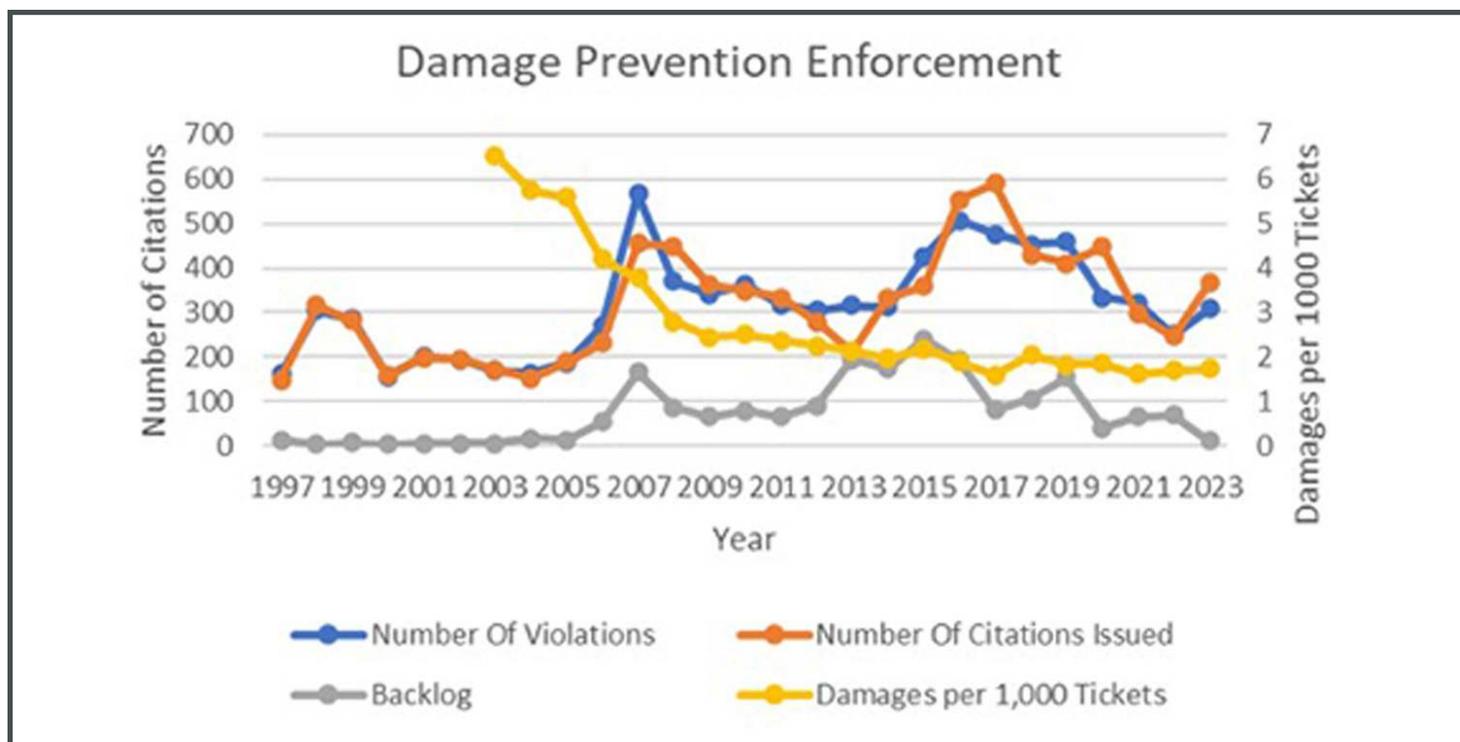
Last Ten Years

We believe that this enforcement activity, in conjunction with the numerous other activities undertaken by the one-call systems and LDCs, continue to have a positive effect in reducing damages to underground gas facilities. Since 2003, the Pipeline Safety Section has been tracking a state-wide metric for damages per 1,000 one-call tickets of the LDCs under Public Service Commission jurisdiction.

The results for the past 10 years are shown below:

Year	Damage per 1,000	Year	Damage per 1,000
2014	1.96	2019	1.84
2015	2.18	2020	1.85
2016	1.89	2021	1.62
2017	1.60	2022	1.70
2018	2.05	2023	1.73

The chart below depicts enforcement actions taken by the New York State Public Service Commission since it took over enforcement of the Protection of Underground Facilities law. The chart displays the number of violations occurring in a given year, the number of citations issued in a given year, the backlog of citations requiring review, as well as damages to gas pipeline facilities per 1,000 notifications since 2003. The spike in 2007 was due to the initiation of voluntary reporting by LDCs of no-call damages to gas pipelines.



**START AWARD**



With you where you go.

**ground Adventures**

**ED EXCAVATOR PROGRAM**

Excavator In Safe Digging Best Practices

**DAMAGE PREVENTION**  
*Conference & Expo*



**UDIG·NY**

SAFE DIGGING STARTS HERE

**2023  
Annual Report  
Supplemental  
Documents**

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