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2024 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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2024 Annual Business Meeting Minutes

The 54th Annual Meeting of the Members of UDig NY, Inc. was called to order by President, Matt Scorzelli, at 9:00 am in a hybrid fashion with some virtual attendance and some in person attendance at the UDig NY Center for Damage Prevention on April 30, 2024.



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, Leon Hacker, to read the Notice of the Annual Meeting. Secretary Hacker read the notice of annual meeting and advised that at least 30% of the voting membership were represented, constituting a quorum under the Corporations Bylaws.

President Scorzelli introduced the UDig NY Officers and Directors. President Scorzelli recognized the Directors that left the Board in the last year; thanking Michael Bass formerly with Buckeye Partners and Don Ayers retired from Enterprise Products for their service to underground utility protection and honored them with the Golden Spade Award. President Scorzelli then recognized and thanked past presidents of the Board of Directors.

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 was provided to each pre-registered attendee. He then called for approval of the 2023 Annual Business Meeting minutes. Bill VanDame made a motion to approve the minutes, Ron Dietz 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 Ron Dietz. A second to the motion was made by Bill VanDame. A unanimous vote passed the motion. President Scorzelli then asked if there was any old business from the 2023 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.

President Scorzelli then called upon Don Ayers, member of the Governance Committee to read the nominating report.

Don Ayers provided the Nominating Report.

2024 Annual Meeting Minutes

Candidate	Company	Industry	Status	Term
Chris Fellows Jr.	Onondaga County Water Authority	Water	Exempt	3-year term expiring April 2027
Leon Hacker	Verizon	Telecommunications	Non-Exempt	3-year term expiring April 2027
Michael Kolecki	MSK Consulting	Design & Engineering	Sustaining	3-year term expiring April 2027
David Lammon	National Grid	Gas & Electric	Non-exempt	3-year term expiring April 2027
Joseph Laraiso	M&C Utilities	Contractors	Sustaining	3-year term expiring April 2027
Marc Talomie	Buckeye Partners L.P.	Pipeline	Non-exempt	3-year term expiring April 2027

Upon completion of the 2024 elections, the exact number of Board of Directors positions will continue to be 17, with each class or group classification set as follows:

Director positions to be elected by year			Representatives from member groups		
2025	2026	2027	Non-exempt	Exempt	Sustaining
6	5	6	11	3	3

Industry	Cable TV	Contractors	Design/Engineers	Gas	Gas & Electric	Pipeline	Telecommunications	Water
Seats	1	2	2	3	4	3	1	2



President Scorzelli called for a motion to elect the Directors for the designated terms. Ron Dietz made a motion to elect the Directors for the designated terms of office. Bill VanDame made a second to the motion. A unanimous vote passed the motion.



President Matt Scorzelli called for a resolution of support. Ron Dietz 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 Don Ayers to serve as the interim officer of UDig NY, Inc. with duties to convene at a corporate meeting at 10:00 a.m. the same day for election of officers and the transaction of normal business. Don Ayers 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. Ron Dietz made a motion to adjourn. Bill VanDame made a second to the motion. A unanimous vote passed the motion.

Treasurer's Report

UDigNY, Inc. a nonprofit organization classified under section 501(c)(3) of the internal revenue Code. Its mission is to prevent damages to underground facilities and protect the public through education and effective communication with excavators, underground facility operators and designers.

This report provides an overview of the financial activities and standing of UDigNY, Inc. for the fiscal year ending December 31, 2024. The firm remains in stable financial health, with prudent management of its resources and a continued commitment to transparency, stewardship of assets and investments, and governmental regulations and guidelines.

For fiscal year 2024, the firm experienced a drop in ticket volume of 2% and a 4% drop in revenue and we recorded a decrease in expenses of 1% compared to 2023.

Year	Revenue	Expenses
2023	\$5.42 MILLION	\$5.76 MILLION
2024	\$5.20 MILLION	\$5.70 MILLION

Our main source of revenue comes from "Active Member Income" which the firm recorded \$4.80 million. Promotion and Education revenue totaled \$395,000 for 2024. Total Investment revenue was \$489,000.

Our main expense was "Wages and Overhead" that accounted for \$3.7 million or 64% of our total expense of \$5.7 million. Expenses were directed toward furthering our mission of protecting underground facilities and improving public safety through education.

Our cash on hand (bank balance) at the end of 2024 was \$1.43 million with investments totaling \$5.45 million. Current liabilities totaled \$373,000 and non-current liabilities totaled \$3.8 million.

The firm continues our relationship with Morgan Stanley to provide professional investment guidance. They offer appropriate investment vehicles that are suitable for not-for-profit organizations, in accordance with our investment policy. The organization has adopted an investment policy that is suitable for not-for-profit organizations. Our relationship with Morgan Stanley also provides UDig NY access to capital market and investment research that has proven beneficial in achieving our financial goals. Morgan Stanley provides regular reports to the Board of Directors on the organization's investments.

Hill, Barth, & King, LLC Certified Public Accountants has audited our financial statement for the year ending December 31, 2024 including expenses and cash flow. In their opinion, the financial statements present fairly, in all material respects, the financial position of UDigNY, Inc. as of December 31, 2024 and 2023, 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.

Treasurer's Report

The Board of Directors, Budget and Finance Committee, and the CEO/President perform monthly reviews of the organization's income, expenses, and investments. UDigNY, Inc. has continued to operate responsibly ensuring responsible management of its funds while advancing its mission.

Continued regular financial reviews and a close watch on expenses and revenue are recommended.

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,

A handwritten signature in black ink that reads "Michael J. Bushart". The signature is written in a cursive style with a large initial "M".

Michael J. Bushart—Treasurer, UDigNY, Inc.

Independent Auditor's Report Letter

Opinion

We have audited the accompanying financial statements of UDig NY, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, 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. as of December 31, 2024 and 2023, 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. 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.

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.

Independent Auditor's Report Letter

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.

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, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$1,434,737	\$1,831,576
Accounts receivable, net	\$678,713	\$738,642
Accounts receivable - other	\$14,873	\$ 45,587
Prepaid expenses	\$162,451	\$210,215
Total Current Assets	\$2,290,774	\$2,826,020
Property & Equipment		
Land	\$516,216	\$516,216
Buildings	\$7,696,754	\$7,696,754
Furniture & fixtures	\$683,284	\$683,284
Computers & equipment	\$88,642	\$88,642
Automobiles and trucks	\$110,318	\$110,318
Software	\$684,015	\$560,000
	\$9,779,229	\$9,655,214
Less accumulated depreciation	\$2,401,688	\$2,112,066
Net Property & Equipment	\$7,377,541	\$7,543,148
Other Assets		
Investments—Note D	\$5,447,246	\$4,910,779
Other assets—Note G	\$86,818	\$40,962
Total Other Assets	\$5,534,064	\$4,951,741
Total Assets	\$15,202,379	\$15,320,909
Liabilities & Net Assets		
Current Liabilities		
Accounts payable	\$58,617	\$141,891
Accrued expenses	\$92,695	\$74,038
Deferred revenue	\$15,499	\$15,599
Current portion of long-term debt—NOTE G	\$206,204	\$197,667
Total Current Liabilities	\$373,015	\$429,195
Long-Term Debt Less Current Portion & Unamortized Debt Issuance Costs—NOTE G	\$3,824,149	\$4,030,353
Net Assets—Without donor restrictions		
Undesignated	\$10,819,215	\$10,629,774
Board-designated—NOTE C	\$186,000	\$231,587
Total Net Assets	\$11,005,215	\$10,861,361
Total Liabilities and Net Assets	\$15,202,379	\$15,320,909

Statement of Activities

Years ended December 31, 2024 and 2023

	2024	2023
Revenue		
Member billings and dues	\$4,807,732	\$5,040,804
Sponsorship & excavator seminar revenue	\$239,991	\$210,272
Grant revenue	\$0	\$45,587
Gain on sale of asset	\$0	\$52,873
Educational services	\$140,187	\$72,491
Miscellaneous revenue	\$14,873	\$0
Total Revenue	\$5,202,783	\$5,422,027
Expenses		
Program services	\$3,651,374	\$3,727,874
Management & general	\$2,045,235	\$2,028,687
Total Expenses	\$5,696,609	\$5,756,561
Net Operating Income (LOSS)	\$(493,826)	\$(334,534)
Non-Operating Income (Expenses)		
Net investment gains (losses)	\$489,506	\$530,482
Change in fair value of interest rate swap—NOTE G	\$45,855	\$(25,891)
Interest	\$102,319	\$97,454
	\$637,680	\$602,045
Changes In Net Assets	\$143,854	\$267,511
Net Assets		
Beginning of year	\$10,861,361	\$10,593,850
End of year	\$11,005,215	\$10,861,361

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, 2024 and 2023

	2024			2023		
	Program Services	Management/General	Total	Program Services	Management/General	Total
Salaries & wages	\$1,593,862	\$1,250,231	\$2,844,093	\$1,499,619	\$1,208,557	\$2,708,176
Payroll taxes	\$117,338	\$97,337	\$214,675	\$114,703	\$92,440	\$207,143
Employee benefits	\$327,988	\$272,080	\$600,068	\$325,680	\$262,469	\$588,149
Advertising	\$22,076	\$0	\$22,076	\$27,014	\$0	\$27,014
Communication	\$120,240	\$27,784	\$148,024	\$187,723	\$32,933	\$220,656
Contracted services	\$23,312	\$0	\$23,312	\$28,755	\$0	\$28,755
Contracts & licenses	\$220,117	\$24,457	\$244,574	\$164,618	\$18,291	\$182,909
Depreciation	\$217,216	\$72,406	\$289,622	\$322,459	\$107,487	\$429,946
Insurance	\$51,429	\$16,599	\$68,028	\$54,443	\$17,611	\$72,054
Interest	\$121,369	\$40,456	\$161,825	\$131,408	\$43,803	\$175,211
Miscellaneous	\$15,317	\$10,212	\$25,529	\$13,903	\$9,270	\$23,173
Office	\$6,252	\$18,754	\$25,006	\$9,594	\$28,780	\$38,374
Professional Development	\$14,706	\$0	\$14,706	\$9,354	\$0	\$9,354
Professional fees	\$30,050	\$99,726	\$129,776	\$30,000	\$101,849	\$131,849
Promotional & public education	\$472,433	\$0	\$472,433	\$495,164	\$0	\$495,164
Provision for credit losses	\$724	\$0	\$724	-	-	-
Repairs & maintenance (Equipment)	\$99,215	\$11,024	\$110,239	\$143,531	\$15,948	\$159,479
Repairs & maintenance (Facilities)	\$61,647	\$20,549	\$82,196	\$47,775	\$15,925	\$63,700
Seminars and meetings	\$0	\$44,034	\$44,034	\$0	\$37,197	\$37,197
Travel	\$117,681	\$33,452	\$151,133	\$104,591	\$30,281	\$134,872
Utilities	\$18,402	\$6,134	\$24,536	\$17,540	\$5,846	\$23,386
Total	\$3,651,374	\$2,045,235	\$5,696,609	\$3,727,874	\$2,028,687	\$5,756,561

Statement of Cash Flows

Years ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Changes in net assets	\$143,854	\$267,511
<i>Adjustments to reconcile changes in net assets to net cash provided by operating activities:</i>		
Depreciation	\$289,622	\$429,946
Net realized/unrealized (gains) losses on investments	\$(489,506)	\$(530,482)
Provision for doubtful accounts	\$724	\$0
Gain on sale of assets	\$0	\$(52,873)
Decrease in accounts receivable	\$59,205	\$41,251
(Increase) decrease in accounts receivable - other	\$30,714	\$(45,587)
(Increase) decrease in prepaid expenses and other assets	\$1,908	\$(60,991)
Increase (decrease) in accounts payable	\$(83,274)	\$19,976
Increase in accrued expenses	\$18,657	\$11,086
Decrease in deferred revenue	\$(100)	\$(218)
Net Cash Provided by (Used In) Operating Activities	\$(28,196)	\$79,619
Cash Flows From Investing Activities		
Purchase of property & equipment	\$(124,015)	\$(122,219)
Proceeds from sale of assets	\$0	\$64,000
Proceeds from sale of investments	\$113,206	\$746,896
Purchase of investments	\$(160,167)	\$(752,122)
Net cash used in investing activities	\$(170,976)	\$(63,445)
Cash Flows From Financing Activities		
Principal payments on long-term debt	\$(197,667)	\$(190,376)
Net cash used in financing activities	\$(197,667)	\$(190,376)
Net decrease in cash & cash equivalents	\$(396,839)	\$(174,202)
Cash & Cash Equivalents		
Beginning of year	\$1,831,576	\$2,005,778
End of year	\$1,434,737	\$1,831,576
Supplementary Cash Flows Information		
Interest Paid	\$164,919	\$172,156
Non-Cash Transactions		
Interest, dividends & realized gains reinvested	\$145,762	\$135,408
Investment fees paid	\$43,443	\$37,954

Balance End of Year (EOY)

Last 15 Years

Year	Balance	Year	Income	Expense	2025 Projected Budget	
2010	\$3,450,087	2010	\$3,450,087	\$3,191,547	Projected Income	\$5,487,014
2011	\$3,455,853	2011	\$3,455,853	\$3,498,894	Projected Expense	\$6,503,009
2012	\$3,981,874	2012	\$3,981,874	\$3,770,681		
2013	\$4,088,661	2013	\$4,088,661	\$3,936,399		
2014	\$4,376,780	2014	\$4,376,780	\$4,258,435		
2015	\$4,695,861	2015	\$4,695,861	\$4,385,709		
2016	\$4,871,430	2016	\$4,871,430	\$4,170,468		
2017	\$5,510,068	2017	\$5,510,068	\$4,369,014		
2018	\$5,383,243	2018	\$5,383,243	\$4,368,876		
2019	\$6,080,740	2019	\$6,080,740	\$5,150,708		
2020	\$5,403,231	2020	\$5,403,231	\$5,222,071		
2021	\$5,697,761	2021	\$5,697,761	\$5,346,225		
2022	\$5,698,640	2022	\$5,698,640	\$5,619,370		
2023	\$5,422,027	2023	\$5,422,027	\$5,756,561		
2024	\$5,202,783	2024	\$5,202,783	\$5,696,609		

Annual One-Call Notification System Report



**Department
of Public Service**



Enforcement Activity for 2024

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 2024 calendar year.

Of the 276 probable violations issued in 2024, 61 were the result of Staff investigation¹ and the other 215 were from enforcement requests submitted by operators or the general public.

The second table provides a breakdown of violations resolved in 2024, including the amount collected, and the methods by which enforcement cases were resolved.

Some of the enforcement cases resolved in 2024 were based on violations issued in prior years. Likewise, some enforcement cases initiated in 2024 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.

Violation	Citations
Failure to Notify	182
Improper Notification	5
Failure to Renotify	10
Failure to Maintain Mark-Outs	2
Failure to Verify Location	31
Failure to Maintain Clearance	11
Inaccurate Mark-Out	26
Other	9
Total:	276

Resolution	Cases	Amount Collected
Commission Orders	49	\$136,500
Referred to Attorney General	44	\$94,150
Uncontested Penalties	87	\$592,500
Consent Orders	55	\$84,200
Resolved Without Penalty ²	41	-
Warning Letters	4	-
Totals:	280	\$907,350

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

²This 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 10 Years

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.

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 in the table on the right.

Year	Damage per 1,000
2015	2.18
2016	1.89
2017	1.60
2018	2.05
2019	1.84
2020	1.85
2021	1.62
2022	1.70
2023	1.73
2024	1.61

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 the trend line of 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.

