
COLORADO MUNICIPAL LEAGUE
FINANCIAL STATEMENTS
DECEMBER 31, 2024

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Independent Auditors' Report

Board of Directors
Colorado Municipal League
Denver, Colorado

Opinion

We have audited the financial statements of Colorado Municipal League, which comprise the statement 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 Colorado Municipal League 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 Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of Colorado Municipal League 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.

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; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Colorado Municipal League's ability to continue as a going concern for 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Colorado Municipal League'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 Colorado Municipal League'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.

Supplementary Information

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. Management's discussion and analysis on pages i - iv and the budgetary comparison schedule on page 19, which are the responsibility of management, are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RubinBrown LLP

April 21, 2025

COLORADO MUNICIPAL LEAGUE MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis has been prepared by management and is designed to provide an analysis of the Colorado Municipal League's (CML) financial condition and operating results and to inform the reader on CML's financial issues and activities.

The CML Management Discussion and Analysis (MD&A) should be read in conjunction with the CML financial statements.

Financial Highlights

- In 2024, total net assets decreased by \$77,045.
- Total revenues and support were \$3,375,979 in 2024, an increase of \$54,503 or 1.6%, from 2023.
- During 2024, total expenses were \$3,453,024, an increase of \$272,826, or 8.6%, compared to 2023.

Overview of the Financial Statements

The financial statements of CML are presented in its status as a nonprofit instrumentality of the cities and towns of the State of Colorado.

The *Statement of Financial Position* presents information on all of CML's assets and liabilities. Over time, increases or decreases in the net assets may serve as a useful indicator of whether the financial position of CML is improving or deteriorating.

The *Statement of Activities* presents information which reflects how CML's net assets changed during the past year.

The *Statement of Cash Flows* reports CML's cash flows from operating, capital and investing activities.

The financial statements distinguish functions of CML that are principally supported by operating revenues, and non-operating revenues. The primary business of CML is providing services to our members in the areas of advocacy, information and training. The principal functions of CML include developing policy, advocacy of municipal interests, providing research, producing publications, conducting training, and providing information services and assistance to Colorado municipal officials.

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

ASSETS			
Years ending December 31,	2024	2023	% Change
CURRENT ASSETS	\$2,412,063	\$2,820,108	-14.5%
NONCURRENT ASSETS	3,756,474	3,377,657	11.2%
TOTAL ASSETS	\$6,168,537	\$6,197,765	-.5%

LIABILITIES AND NET ASSETS			
Years ending December 31,	2024	2023	% Change
CURRENT LIABILITIES	\$713,671	\$665,854	7.2%
NET ASSETS			
Unrestricted	5,454,866	5,531,911	-1.4%
TOTAL NET ASSETS & LIABILITIES	\$6,168,537	\$6,197,765	-.5%

As noted earlier, net assets may serve over time as a useful indicator of CML’s financial position. As of December 31, 2024 CML’s assets exceeded liabilities by \$5,454,866.

Change in Net Assets

Review of Revenue			
Years ending December 31,	2024	2023	% Change
REVENUES AND SUPPORT			
Membership Dues	\$2,441,652	\$2,367,044	3.2%
Annual Conference	564,238	646,169	-12.7%
Workshops and meetings	74,958	71,860	4.3%
Publications	11,121	9,775	13.8%
Investment income	242,874	181,602	33.7%
Other	41,136	45,026	-8.6%
Total revenues and support	\$3,375,979	\$3,321,476	1.6%

Total revenue increased 1.6% in comparison to 2023. In 2024, municipal dues increased 3.2%. Annual conference revenue decreased with a reduction in sponsorship, registration and ticketed meals primarily due to the change in venue. Investment income increased due to rising interest rates.

Review of Expenses			
Years Ended December 31,	2024	2023	% Change
EXPENSES			
Program Expenses			
State and Federal Issues	\$924,642	\$872,072	3.1%
Annual Conference & Events	726,410	745,762	-2.6%
Publications and Periodicals	446,704	406,240	10.0%
Advocacy & Legal Services	197,172	180,955	9.0%
Lessons on Local Government	21,482	30,946	-30.6%
Support Services			
Administrative	948,100	799,560	18.6%
Building Occupancy Costs	188,514	144,663	30.3%
TOTAL EXPENSES	\$3,453,024	\$3,180,198	8.6%
CHANGE IN NET ASSETS			
	\$(77,045)	\$141,278	-154.5%
NET ASSETS, BEGINNING OF YEAR			
	\$5,531,911	\$5,390,633	2.6%
NET ASSETS, END OF YEAR			
	\$5,454,866	\$5,531,911	-1.4%

CML's expenses increased by 8.6%, primarily due to increased expenses for salaries and benefits, consulting and building occupancy. Net assets decreased by \$77,045 in 2024, to a total of \$5,454,866.

Budgetary Highlights

CML prepares its budget on a non-GAAP budgetary basis of accounting to recognize the fiscal impact of debt repayments as well as capital outlay. Capital contributions of facilities and depreciation are not reflected on the budget since they do not affect funds available. As shown on page 19, actual 2024 change in net assets of \$(19,397) exceeded the budget of (\$333,946) by \$314,549.

Actual revenues were \$43,775 greater than budget and actual expenditures were \$270,674 less than budget.

Long-Term Debt

CML currently has no long term debt.

Capital Assets

During 2024 CML purchased capital assets totaling \$41,860. Additional detail on capital assets can be found in Note 4 to the Financial Statements.

Economic Factors and Next Year's Budget

The 2025 dues revenue budget reflects dues calculated based on the municipal dues schedule adopted by the Board and announced to the membership at the June 2023 Annual Business Meeting, and projects continuation of the current membership roster of cities and towns.

Requests for Information

This report is designed to provide a general overview of CML's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Executive Director or Finance & Administration Manager, Colorado Municipal League, 1144 Sherman St., Denver CO 80203.

COLORADO MUNICIPAL LEAGUE

STATEMENT OF FINANCIAL POSITION

December 31, 2024 And 2023

Assets

	2024	2023
Current Assets		
Cash and cash equivalents	\$ 1,779,601	\$ 1,736,424
Investments	492,000	943,000
Accounts receivable	18,338	25,352
Prepaid expenses	122,124	115,332
Total Current Assets	2,412,063	2,820,108
Investments	2,477,465	2,041,000
Property And Equipment, Net	1,279,009	1,336,657
Total Assets	\$ 6,168,537	\$ 6,197,765

Liabilities

Current Liabilities		
Accounts payable	\$ 29,370	\$ 39,319
Accrued expenses	7,461	1,624
Accrued vacation payable	98,564	75,459
Deferred revenue	578,276	549,452
Total Current Liabilities	713,671	665,854

Net Assets

Net Assets Without Donor Restrictions		
Board designated	2,446,269	2,429,559
Undesignated	3,008,597	3,102,352
Total Net Assets Without Donor Restrictions	5,454,866	5,531,911
Total Liabilities And Net Assets	\$ 6,168,537	\$ 6,197,765

COLORADO MUNICIPAL LEAGUE

STATEMENT OF ACTIVITIES

	Without Donor Restrictions	
	For The Years Ended December 31,	
	2024	2023
Revenues And Other Support		
Membership dues	\$ 2,441,652	\$ 2,367,044
Annual conference	564,238	646,169
Meetings	74,958	71,860
Publications	11,121	9,775
Investment income	242,874	181,602
Other	41,136	45,026
Total Revenues And Other Support	3,375,979	3,321,476
Expenses		
Program services:		
State and federal issues	924,642	872,072
Annual conference and events	726,410	745,762
Publications and periodicals	446,704	406,240
Advocacy and legal services	197,172	180,955
Lessons on Local Government	21,482	30,946
Total Program Services	2,316,410	2,235,975
Support services:		
Administrative	948,100	799,560
Building occupancy costs	188,514	144,663
Total Support Services	1,136,614	944,223
Total Expenses	3,453,024	3,180,198
Change In Net Assets	(77,045)	141,278
Net Assets - Beginning Of Year	5,531,911	5,390,633
Net Assets - End Of Year	\$ 5,454,866	\$ 5,531,911

COLORADO MUNICIPAL LEAGUE

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2024

	Program Services				Support Services				Total	
	State And Federal Issues	Annual Conference And Events	Publications And Periodicals	Advocacy And Legal Service	Lessons On Local Government	Administrative	Building Occupancy	Support Services		
Expenses										
Salaries and benefits	\$ 708,657	\$ 266,945	\$ 215,523	\$ 155,609	\$ 3,433	\$ 1,350,167	\$ 718,910	\$ 10,131	\$ 729,041	\$ 2,079,208
Building occupancy	—	—	—	—	—	—	—	177,898	177,898	177,898
Depreciation	33,915	12,776	10,315	7,447	164	64,617	34,406	485	34,891	99,508
Professional services	27,006	12,685	47,963	6,073	—	93,727	52,389	—	52,389	146,116
Office expense and information technology	98,224	41,971	71,427	26,820	—	238,442	101,122	—	101,122	339,564
Printing and postage	2,102	2,956	98,804	140	—	104,002	761	—	761	104,763
Meetings and travel and entertainment	54,738	18,600	2,672	1,083	—	77,093	32,347	—	32,347	109,440
Annual conference, workshops and outreach	—	370,477	—	—	—	370,477	—	—	—	370,477
Direct program expenses	—	—	—	—	17,885	17,885	8,165	—	8,165	26,050
Total Expenses	\$ 924,642	\$ 726,410	\$ 446,704	\$ 197,172	\$ 21,482	\$ 2,316,410	\$ 948,100	\$ 188,514	\$ 1,136,614	\$ 3,453,024

For The Year Ended December 31, 2023

	Program Services				Support Services				Total	
	State And Federal Issues	Annual Conference And Events	Publications And Periodicals	Advocacy And Legal Service	Lessons On Local Government	Administrative	Building Occupancy	Support Services		
Expenses										
Salaries and benefits	\$ 670,833	\$ 236,001	\$ 178,174	\$ 138,759	\$ 538	\$ 1,224,305	\$ 597,274	\$ 9,067	\$ 606,341	\$ 1,830,646
Building occupancy	—	—	—	—	—	—	—	134,435	134,435	134,435
Depreciation	36,375	12,797	9,661	7,524	29	66,386	32,386	492	32,878	99,264
Professional services	12,819	4,020	36,792	3,475	—	57,106	29,656	66	29,722	86,828
Office expense and information technology	107,974	33,821	28,040	30,178	—	200,013	95,817	514	96,331	296,344
Printing and postage	890	10,114	151,058	84	—	162,146	4,384	4	4,388	166,534
Meetings and travel and entertainment	43,181	16,814	2,515	935	—	63,445	33,199	85	33,284	96,729
Annual conference, workshops and outreach	—	432,195	—	—	—	432,195	—	—	—	432,195
Direct program expenses	—	—	—	—	30,379	30,379	6,844	—	6,844	37,223
Total Expenses	\$ 872,072	\$ 745,762	\$ 406,240	\$ 180,955	\$ 30,946	\$ 2,235,975	\$ 799,560	\$ 144,663	\$ 944,223	\$ 3,180,198

See the notes to financial statements.

COLORADO MUNICIPAL LEAGUE

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2024	2023
Cash Flows From Operating Activities		
Cash received from members	\$ 2,477,490	\$ 2,473,444
Cash received from publications, annual conference and meetings	650,317	727,804
Cash received from others	283,420	226,628
Cash payments to employees	(1,662,782)	(1,474,897)
Cash payments to suppliers	(1,678,533)	(1,611,663)
Net Cash Provided By Operating Activities	69,912	341,316
Cash Flows From Investing Activities		
Purchases of capital assets	(41,860)	(27,496)
Purchases of investment securities	(927,875)	(1,549,000)
Redemption of investment securities	943,000	1,472,000
Net Cash Used In Investing Activities	(26,735)	(104,496)
Net Increase In Cash	43,177	236,820
Cash And Cash Equivalents - Beginning Of Year	1,736,424	1,499,604
Cash And Cash Equivalents - Ending Of Year	\$ 1,779,601	\$ 1,736,424

COLORADO MUNICIPAL LEAGUE

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 And 2023

1. Summary Of Significant Accounting Policies

The Colorado Municipal League (CML) was formed in 1923 and incorporated as a nonprofit organization in 1944. CML is an advocate of municipal interests on state and federal policies affecting municipalities and functions as a source of information for municipal officials. CML is supported primarily by membership dues and conference revenue.

CML follows generally accepted accounting principles (GAAP) applicable to not-for-profit entities.

CML operates as an instrumentality of its member municipalities under the provisions of Colorado Revised Statutes, Section 29-1-401.

CML's membership is voluntary and included approximately 271 municipalities during 2024 and 269 during 2023.

Basis Of Presentation

The accompanying financial statements are presented in accordance with GAAP, which requires CML to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of CML's management and executive board.

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

As of December 31, 2024 and 2023, CML reported only net assets without donor restrictions.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements *(Continued)*

Functional Allocation Of Expenses

The accompanying financial statements report certain categories of expenses that are attributable to more than one program or support function. Those expenses include staff salaries and benefits, office supplies, insurance, bank charges, phones, equipment maintenance, postage, printing, technology, meetings, staff development and travel, professional services, other administrative expenses and certain consulting fees. These costs are allocated on the basis of time and effort reported to programs.

Use Of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

Cash And Cash Equivalents

CML continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. As of December 31, 2024 and 2023 and periodically throughout the years, CML had balances in various operating accounts in excess of federally insured limits. As discussed in Note 3, CML considers funds held in COLOTRUST to be cash equivalents.

Prepaid Expenses

Payments made to vendors for services which will benefit subsequent periods are recorded as prepaid expenses.

Property And Equipment

Property and equipment includes land, buildings and improvements, equipment, furniture and vehicles. Property and equipment is defined by CML as assets with an individual cost of more than \$20,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated property and equipment are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (*Continued*)

Property and equipment of CML are depreciated using the straight-line method over the following estimated useful lives.

Building and improvements	15 - 40 years
Equipment, furniture and vehicles	3 - 7 years

Revenue Recognition

CML accounts for revenue recognition in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, which aligns revenue recognition with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which CML expects to be entitled in exchange for those goods or services. The core principle is achieved through the application of the following five-step model: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to performance obligations in the contract and (5) recognize revenue as performance obligations are satisfied.

CML's revenue streams are generally comprised of membership dues, events and sponsorships, publications and other program revenues. The transaction price is allocated to each product or service sold and is the amount of consideration to which CML expects to be entitled in exchange for those goods or services. No consideration is variable as there are no price curves for volume purchasing and any increases or decreases in goods or services are at stand-alone selling prices of those goods or services.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (Continued)

The following table represents CML's revenue streams by type for the years ended December 31:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Municipal dues	\$ 2,331,612	\$ 2,241,404
Associate member dues	110,040	125,640
Total Membership Dues Revenues	2,441,652	2,367,044
Annual conference registrations and ticketed events	305,838	343,269
Annual conference sponsorship	258,400	302,900
Total Annual Conference Revenues	564,238	646,169
Workshop registrations	67,958	63,535
Workshop sponsorship	3,500	7,325
Other sponsorship	3,500	1,000
Total Meetings Revenues	74,958	71,860
Publication and mailing label sales	8,616	5,495
Magazine advertising	2,225	4,000
Magazine subscriptions	280	280
Total Publications Revenues	11,121	9,775
Investment income	242,874	181,602
Partnership revenue	27,876	27,746
Program revenue	12,130	16,600
Mailing label sales	1,130	680
Total Other Revenues	41,136	45,026
Total Revenue	\$ 3,375,979	\$ 3,321,476

Membership Dues Revenue

CML receives nonrefundable annual membership revenue from municipal and associate members. Memberships cover a calendar-year period, and CML recognizes revenue from memberships within the calendar year that the membership represents and as services are provided. Municipal dues services include advocacy, policy development, legal inquiry service, listservs, annual bimonthly magazine subscriptions, one free copy of newly released publications and discounted event registration fees. Associate member dues services include annual quarterly magazine subscriptions, discounted sponsorship rates, discounted event registration fees and networking opportunities. Payments made in advance of the January 1st start of the membership year are deferred and presented as a liability on the statement of financial position.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (*Continued*)

Annual Conference Sponsorship

CML receives nonrefundable sponsorship revenue for the annual conference, workshops and other events from associate members and other nonmember business and government entities. Sponsorship revenue is recognized at a point in time when services are rendered or the event is held. Sponsorship services include listings in CML communications, event program and materials and name badges with access to conference or workshop events and sessions. Some sponsorship levels receive exhibit tables and tickets to sponsored events.

Registration And Ticketed Events Revenue

CML receives registration from municipal and associate members and nonmembers for the CML annual conference, workshops and other events. Registration revenue is recognized at a point in time when the event is held. Registrations may be canceled up to one week in advance and after this time become nonrefundable. Registration revenue received in advance of the event is deferred.

Magazine Advertising

CML receives advertising revenue from businesses, governments and organizations that contract to place advertising in CML's quarterly magazine, *Colorado Municipalities*. Advertising revenue is recognized at a point in time when the magazine issue is completed and shipped to members.

Publication And Mailing Label Sales

CML receives revenue from the sale of publications to members and nonmembers. Mailing labels are sold only to municipal and associate members. Revenue is recognized at a point in time when the publications or mailing labels are shipped or delivered to the customer.

Magazine Subscriptions

CML receives revenue from subscriptions to the *Colorado Municipalities* magazine from libraries and other nonmember organizations. Revenue is recognized over time as each issue of the magazine is shipped. Payments made in advance of the January 1st start of the subscription year are deferred.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (*Continued*)

Program Revenue

CML receives program revenue from other organizations that contract to assist in funding the Municipal Clerks Advisory and Lessons on Local Government programs. Partner organizations are billed for their share of the expenses during the year. When the contract involves multiple elements, the contract price is allocated to each performance obligation based on its relative fair value.

Partnership Revenue

CML receives Partnership revenue from select organizations who contract to offer premier or discounted services to CML municipal members on an annual renewable basis. Partner organizations receive a complimentary associate membership, conference sponsorship and magazine advertising opportunities. CML receives a flat annual fee or a percentage of sales revenue from the partner organization. This revenue is recognized over the annual contract period.

Deferred Revenue

CML records deferred revenue when cash payments are received in advance of the related performance obligation. In the years ended December 31, 2024 and 2023, CML recognized revenue of \$549,452 and \$443,833, respectively, primarily for municipal and associate member dues that was included in the deferred revenue balance. Deferred revenue for the municipal and associate member dues paid in advance as of December 31, 2024 and 2023 was \$565,817 and \$545,852, respectively. Deferred revenue for conference sponsorship paid in advance as of December 31, 2024 and 2023 was \$12,459 and \$3,600, respectively.

Income Tax Status

CML is exempt from federal income taxes as a wholly-owned instrumentality of its member municipalities, which are political subdivisions of the State of Colorado.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (Continued)

2. Liquidity And Availability

The following represents CML's financial assets at December 31:

	December 31,	
	2024	2023
Financial Assets At Year End		
Cash and cash equivalents	\$ 1,779,601	\$ 1,736,424
Investments - short term	492,000	943,000
Investments - long term	2,477,465	2,041,000
Accounts receivable	18,338	25,352
Total Financial Assets	4,767,404	4,745,776
Less Amounts Not Available To Be Used Within One Year		
Board-designated net assets	2,446,269	2,429,559
Financial Assets Available To Meet General Expenditures Over The Next 12 Months	\$ 2,321,135	\$ 2,316,217

As of December 31, 2024, CML had \$2,321,135 in financial assets available to meet operating cash needs for general expenditures within one year of the statement of financial position date. Investments - long term, consist of certificates of deposit that, although they mature on dates beyond December 31, 2025, are included in resources available to meet obligations throughout 2025 as CML has the ability to liquidate them, subject to penalty, on demand.

CML's goal is to maintain financial assets to meet at least six months of operating expenses (approximately \$1.67 million at December 31, 2024). As part of its liquidity plan, excess cash is invested in certificates of deposit with varying maturity dates.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (Continued)

3. Cash And Cash Equivalents And Investments

Cash And Cash Equivalents

CML investments in Colorado Local Government Liquid Asset Trust (COLOTRUST) are rated AAAM by Standard & Poor’s, Fitch’s and Moody’s Investor Service. COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements for creating and operating the pool. The pool operates similar to a money market fund with each share equal in value to \$1.00. Investments are limited to those allowed by state statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by participants.

COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments and does not have any unfunded commitments, redemption restrictions or redemption notice periods. As of December 31, 2024, CML had \$1,562,284 invested in COLOTRUST, with a rating of AAAM. Separately issued financial statements for COLOTRUST may be obtained at their website at www.colotruster.com.

Investments

As of December 31, 2024, CML’s investment portfolio had a maturity value of \$2,969,465 with a book yield of 4.0%. The portfolio is invested in certificates of deposit across several banks in individual amounts equal to or less than \$250,000 to provide full Federal Deposit Insurance Corporation insurance per instrument. CML intends to hold these certificates to maturity; and therefore, the certificates are reported at amortized cost.

Investment maturities at December 31, 2024, excluding a \$1,535 unamortized bond discount, are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 492,000
2026	814,000
2027	985,000
2028	680,000
	<u>\$ 2,971,000</u>

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (Continued)

4. Property And Equipment

Property and equipment consists of the following:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 300,000	\$ 300,000
Building and improvements	2,388,636	2,388,636
Equipment and furniture	691,933	650,073
	<u>3,380,569</u>	<u>3,338,709</u>
Accumulated depreciation	<u>(2,101,560)</u>	<u>(2,002,052)</u>
Property And Equipment, Net	\$ 1,279,009	\$ 1,336,657

Depreciation expense was \$99,508 and \$99,264 for the years ended December 31, 2024 and 2023, respectively.

5. Net Assets

The CML Executive Board has internally designated net assets at December 31, 2024 and 2023 as follows:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Board-Designated Net Assets		
Building and capital reserve	\$ 442,145	\$ 462,983
Ballot issues	124,829	124,829
Capacity building fund	210,998	230,010
Designated operating reserve	1,668,297	1,611,737
	<u>1,668,297</u>	<u>1,611,737</u>
Total Board-Designated Net Assets	\$ 2,446,269	\$ 2,429,559

The board-designated funds are available for the following purposes:

Building And Capital Reserve: To provide a source of funds for the repair of the CML building and fixtures and for the acquisition of building improvements and fixtures

Ballot Issues: To provide funds for ballot issue participation. This reserve fund is made up of private sector funds and does not include any public moneys.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements (*Continued*)

Capacity Building Fund: To provide funds for opportunities that further the mission of CML and as a source of internal funds for organizational capacity building or investment in technology that builds long-term capacity

Designated Operating Reserve: To provide a cushion against unexpected events and expenses, uninsured losses and losses of income

6. Employee Benefit Plans

Money Purchase Plan

CML contributes to a single-employer defined contribution money purchase pension plan (the Plan) on behalf of its employees. CML is required to contribute 5% of each participating employee's compensation, and each employee must contribute 1% to 5% of his/her compensation, depending on their length of employment. Employees may contribute up to 5% of covered payroll at any time during the first through fifth years of employment. The contribution requirements of CML and eligible employees are established and may be amended by the CML Executive Board.

Employees are eligible to participate in the Plan the first of the month following employment and become fully vested after four years of service.

For the years ended December 31, 2024 and 2023, CML made the required contributions, totaling \$78,957 and \$68,011, respectively, to the Plan. All of the Plan investments are managed by the MissionSquare, an outside administrator.

Deferred Compensation Plan

CML offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. CML contributes 1% of compensation for each employee who has at least five years of service, and CML contributions increase by 1% for each additional 5 years of completed service. This deferred compensation plan permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. For the years ended December 31, 2024 and 2023, CML made contributions totaling \$14,736 and \$13,150, respectively, to the deferred compensation plan.

COLORADO MUNICIPAL LEAGUE

Notes To Financial Statements *(Continued)*

7. Risks And Uncertainties

CML is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. CML maintains commercial insurance for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

8. Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

Supplementary Information

COLORADO MUNICIPAL LEAGUE

BUDGETARY COMPARISON SCHEDULE - NON-GAAP BUDGETARY BASIS

For The Year Ended December 31, 2024
(With Summarized Comparative Actual Amounts
For The Year Ended December 31, 2023)

	2024			2023
	Actual	Budget	Variance	Actual
Revenues				
Membership dues	\$ 2,441,652	\$ 2,430,872	\$ 10,780	\$ 2,367,044
Annual conference	564,238	605,032	(40,794)	646,169
Meetings	74,958	83,100	(8,142)	71,860
Publications	11,121	19,700	(8,579)	9,775
Investment income	242,874	150,000	92,874	181,602
Other	41,136	43,500	(2,364)	45,026
Total Revenues	3,375,979	3,332,204	43,775	3,321,476
Expenditures				
Salaries and related costs	2,079,208	2,125,703	(46,495)	1,830,646
Building occupancy costs	177,898	189,635	(11,737)	134,435
Building and equipment purchases	41,860	50,000	(8,140)	27,496
Professional services	146,116	152,050	(5,934)	86,828
Office expense and information technology	339,564	336,990	2,574	296,344
Printing and postage	104,763	203,547	(98,784)	166,534
Meetings, travel and staff development	109,440	130,750	(21,310)	96,729
Annual conference, workshops and outreach	370,477	442,675	(72,198)	432,195
Direct program expenses	26,050	34,800	(8,750)	37,223
Total Expenditures	3,395,376	3,666,150	(270,774)	3,108,430
Change In Net Assets - Budgetary	(19,397)	\$ (333,946)	\$ 314,549	213,046
Reconciliation To GAAP Basis				
Add: Capital outlay	41,860			27,496
Less: Depreciation and amortization	(99,508)			(99,264)
Change In Net Assets - GAAP Basis	\$ (77,045)			\$ 141,278

Note: A positive variance is favorable, a negative variance is unfavorable.