

**COLORADO COUNTIES, INC.
CCI FOUNDATION, INC.
CCI PUBLIC LANDS, INC.**

Combining Financial Statements and Independent Auditor's Report
December 31, 2025

**COLORADO COUNTIES, INC., CCI FOUNDATION, INC., AND CCI PUBLIC LANDS,
INC.**

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To the Board of Directors of
Colorado Counties, Inc.
CCI Foundation, Inc.
CCI Public Lands, Inc.
Denver, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Combining Financial Statements

We have audited the accompanying combining financial statements of Colorado Counties, Inc., CCI Foundation, Inc., and CCI Public Lands, Inc. (nonprofit organizations) (collectively, "Organization"), which comprise the combining statement of financial position as of December 31, 2025, and the related combining statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combining financial statements.

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the combining financial position of the Organization as of December 31, 2025, and the changes in its combining net assets and its combining 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 Auditor's Responsibilities for the Audit of the Combining Financial Statements section of our report. We are required to be independent of the Organization 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.

Management's Responsibility for the Combining Financial Statements

Management is responsible for the preparation and fair presentation of the combining 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 the combining financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combining 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 combining financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Combining Financial Statements

Our objectives are to obtain reasonable assurance about whether the combining 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, including omissions, 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 combining 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 combining 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 combining 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 combining 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.

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Artesian CPA, LLC

Denver, Colorado

April 6, 2026

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COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
As of December 31, 2025

	Colorado Counties, Inc.	CCI Foundation, Inc.	CCI Public Lands, Inc.	Eliminations	Combined Total
ASSETS					
Current Assets:					
Cash and equivalents-unrestricted	\$ 613,646	\$ 143,905	\$ 155,963	\$ -	\$ 913,514
Certificates of deposit, current	1,166,430	180,102	-	-	1,346,532
US Treasury notes, current	400,268	-	-	-	400,268
Accounts receivable	32,115	33,284	-	-	65,399
Prepaid expenses	35,028	26,293	-	-	61,321
Interest receivable	26,499	1,687	-	-	28,186
Interorganizational receivables	19,796	-	-	(19,796)	-
Total Current Assets	<u>2,293,782</u>	<u>385,271</u>	<u>155,963</u>	<u>(19,796)</u>	<u>2,815,220</u>
Non-current Assets:					
Property and equipment, net	134,463	-	-	-	134,463
Website development	42,778	-	-	-	42,778
Operating lease right of use asset	927,740	-	-	-	927,740
Certificates of deposit, long-term	1,807,000	175,609	-	-	1,982,609
US Treasury notes, long-term	201,000	-	-	-	201,000
Total Non-current Assets	<u>3,112,981</u>	<u>175,609</u>	<u>-</u>	<u>-</u>	<u>3,288,590</u>
TOTAL ASSETS	<u>\$ 5,406,763</u>	<u>\$ 560,880</u>	<u>\$ 155,963</u>	<u>\$ (19,796)</u>	<u>\$ 6,103,810</u>
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable	\$ 28,685	\$ 1,739	\$ 8,446	\$ -	\$ 38,870
Accrued expenses	31,128	-	-	-	31,128
Deferred revenue	-	92,804	-	-	92,804
Operating lease liability, current portion	41,604	-	-	-	41,604
Interorganizational payables	-	19,554	242	(19,796)	-
Total Current Liabilities	<u>101,417</u>	<u>114,097</u>	<u>8,688</u>	<u>(19,796)</u>	<u>204,406</u>
Long-Term Liabilities:					
Operating lease liability, net of current portion	932,917	-	-	-	932,917
Total Long-Term Liabilities	<u>932,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>932,917</u>
Total Liabilities	<u>1,034,334</u>	<u>114,097</u>	<u>8,688</u>	<u>(19,796)</u>	<u>1,137,323</u>
Net Assets:					
Without donor restrictions:					
Undesignated	3,143,929	446,783	147,275	-	3,737,987
Board designated	1,228,500	-	-	-	1,228,500
Total Net Assets	<u>4,372,429</u>	<u>446,783</u>	<u>147,275</u>	<u>-</u>	<u>4,966,487</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,406,763</u>	<u>\$ 560,880</u>	<u>\$ 155,963</u>	<u>\$ (19,796)</u>	<u>\$ 6,103,810</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these combining financial statements.

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.
COMBINING STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

	CCI				
	Colorado Counties, Inc.	Foundation, Inc.	CCI Public Lands, Inc.	Eliminations	Total
Operating Activities:					
Public support and revenue:					
Dues and assessments	\$ 1,558,382	\$ 193,656	\$ 53,201	\$ -	\$1,805,239
Conference registration fees	-	524,522	-	-	524,522
Marketing services income	129,847	-	-	-	129,847
Miscellaneous income	661	13,500	-	-	14,161
Management fee income	158,552	-	-	(158,552)	-
Public lands administration	12,254	-	-	(12,254)	-
Total public support and revenue	<u>1,859,696</u>	<u>731,678</u>	<u>53,201</u>	<u>(170,806)</u>	<u>2,473,769</u>
Expenses:					
Program services	925,656	622,392	45,122	(170,806)	1,422,364
Supporting services:					
General and administration	516,340	9,881	-	-	526,221
Total expenses	<u>1,441,996</u>	<u>632,273</u>	<u>45,122</u>	<u>(170,806)</u>	<u>1,948,585</u>
Change in net assets without donor restrictions from operating activities	417,700	99,405	8,079	-	525,184
Non-Operating Activities:					
Interest income, net	171,302	12,568	2,074	-	185,944
Loss on sale of assets	(362,664)	-	-	-	(362,664)
Unrealized gain/(loss) from investments	17,421	880	-	-	18,301
Change in net assets without donor restrictions from non-operating activities	<u>(173,941)</u>	<u>13,448</u>	<u>2,074</u>	<u>-</u>	<u>(158,419)</u>
Change in net assets without donor restrictions	243,759	112,853	10,153	-	366,765
Net assets without donor restrictions at beginning of year	4,128,670	333,930	137,122	-	4,599,722
Net assets without donor restrictions at end of year	<u>\$ 4,372,429</u>	<u>\$ 446,783</u>	<u>\$ 147,275</u>	<u>\$ -</u>	<u>\$4,966,487</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these combining financial statements.

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2025

	Program Services			Supporting Services		Total Expenses
	Colorado Counties, Inc.	CCI		General and Administrative	Eliminations	
		Foundation, Inc.	CCI Public Lands, Inc.			
Payroll and related expenses	\$ 604,915	\$ -	\$ -	\$ 604,915	\$ 229,545	\$ 834,460
Conference expenses	-	441,562	-	441,562	-	441,562
Management fee	-	158,552	12,254	170,806	-	(170,806)
Occupancy fees	33,093	10,945	-	44,038	59,021	103,059
Contract labor	101,000	-	-	101,000	-	101,000
Relocation expense	-	-	-	-	94,538	94,538
Travel and meals	68,968	-	23,509	92,477	-	92,477
Professional fees	19,601	-	-	19,601	48,410	68,011
Information services	33,906	1,080	913	35,899	12,541	48,440
Depreciation and amortization	33,818	-	-	33,818	12,508	46,326
Taxes on unrelated business income	-	-	-	-	31,483	31,483
Insurance	-	1,227	-	1,227	27,201	28,428
Books and publications	12,504	3,902	-	16,406	2,207	18,613
Registration, dues, and education	5,313	-	8,446	13,759	-	13,759
Office supplies	4,645	-	-	4,645	4,264	8,909
Telephone	5,468	-	-	5,468	2,693	8,161
Sponsorship	-	5,124	-	5,124	-	5,124
Postage	2,425	-	-	2,425	606	3,031
Miscellaneous expense	-	-	-	-	1,204	1,204
	<u>\$ 925,656</u>	<u>\$ 622,392</u>	<u>\$ 45,122</u>	<u>\$ 1,593,170</u>	<u>\$ 526,221</u>	<u>\$ 1,948,585</u>

See Independent Auditor's Report and accompanying notes, which are an integral part of these combining financial statements.

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.

COMBINING STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Colorado Counties, Inc.	CCI Foundation, Inc.	CCI Public Lands, Inc.	Combined Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Changes in net assets	\$ 243,759	\$ 112,853	\$ 10,153	\$ 366,765
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Depreciation and amortization expense	46,326	-	-	46,326
Loss on disposal of assets	362,664	-	-	362,664
Unrealized gain on investments	(17,421)	(880)	-	(18,301)
Change in operating assets and liabilities:				
Change in interest receivable	(4,983)	(124)	-	(5,107)
Change in operating lease right of use asset	(927,740)	-	-	(927,740)
Change in accounts receivable	4,075	24,181	-	28,256
Change in prepaid expenses	24,825	9,784	-	34,609
Change in accounts payable	22,129	5,575	8,688	36,392
Change in deferred revenue	-	(13,846)	-	(13,846)
Change in operating lease liability	974,521	-	-	974,521
Change in accrued expenses	(13,357)	-	-	(13,357)
Net cash provided by operating activities	<u>714,798</u>	<u>137,543</u>	<u>18,841</u>	<u>871,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from certificate of deposit redemptions	2,610,000	290,000	-	2,900,000
Purchase of certificates of deposit	(3,700,000)	(405,000)	-	(4,105,000)
Proceeds from sale of fixed assets	500,000	-	-	500,000
Website development costs	(55,000)	-	-	(55,000)
Purchase of fixed assets	(102,409)	-	-	(102,409)
Net cash used in investing activities	<u>(747,409)</u>	<u>(115,000)</u>	<u>-</u>	<u>(862,409)</u>
Net increase/(decrease) in cash and cash equivalents	(32,611)	22,543	18,841	8,773
Cash and cash equivalents at beginning of year	646,257	121,362	137,122	904,741
Cash and cash equivalents at end of year	<u>\$ 613,646</u>	<u>\$ 143,905</u>	<u>\$ 155,963</u>	<u>\$ 913,514</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Unrelated business income taxes paid	\$ 31,483	\$ -	\$ -	\$ 31,483
Recognition of operating lease right-of-use assets	\$ 944,630	\$ -	\$ -	\$ -
Recognition of operating lease liabilities	\$ 944,630	\$ -	\$ -	\$ -

See Independent Auditor's Report and accompanying notes, which are an integral part of these combining financial statements.

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.

NOTES TO THE COMBINING FINANCIAL STATEMENTS

As of December 31, 2025 and for the year then ended

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The combining financial statements include the activity of Colorado Counties, Inc. (“CCI”), CCI Foundation, Inc. (“Foundation”), and CCI Public Lands, Inc. (“Public Lands”) (collectively referred to as the “Organization”), which are under common control.

Colorado Counties, Inc. is a Colorado nonprofit corporation formed in 1974 from the contributions of assets of the former Colorado State Associate of County Commissioners. The mission of CCI is to cultivate a more general knowledge of, and to encourage a greater interest among, the counties of Colorado in the administration and function of county government.

CCI Foundation, Inc., is a Colorado nonprofit corporation formed in 2012. The Foundation sponsors statewide conferences and workshops to facilitate county information sharing and problem solving. The Foundation also conducts research, prepares publications on issues of interest to counties and, through the County Information Center, provides an electronic repository of these publications.

CCI Public Lands, Inc., is a Colorado nonprofit corporation formed in 2012. Public Lands supports strong working relationship among State, Federal, and Local governments to coordinate planning functions and implement various policies that minimize burdens on local governments and individual private property rights.

Principles of Combination

The accompanying combining financial statements include the accounts of CCI, the Foundation and Public Lands. All significant intercompany balances and transactions are eliminated in the combination.

Financial Statement Presentation

The combining financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The combining financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

See accompanying Independent Auditor’s Report

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.

NOTES TO THE COMBINING FINANCIAL STATEMENTS

As of December 31, 2025 and for the year then ended

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 of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of the combining 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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents and Credit Risks

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, except those designated for long-term purposes, to be cash equivalents.

Financial instruments, which potentially subject the Organization to credit risk, consist of cash, accounts receivable, and investments. Credit risk with respect to accounts receivable is spread among the county governments in Colorado to utilize the Organization's services and programs. Investments consist primarily of certificates of deposits, US Treasury notes, and cash from high-quality financial institutions. Cash balances may occasionally exceed insured limits, but the Organization places its temporary cash investments with high credit quality financial institutions and has not suffered losses from this exposure. As of December 31, 2025, the cash balances did not exceed FDIC insured limits.

Accounts Receivable

Receivables are uncollateralized obligations due from members and associates for conferences fees, member dues, and sponsorships. Receivables are due under normal trade terms requiring payment within 30 to 45 days. The Organization generally pays bills for unpaid fees within 30 days after the conference. Payments against such receivables are allocated to the specific invoices identified on the remittance advice, or, if unspecified, are applicable to the earliest unpaid invoice.

Accounts receivables are stated as unpaid balances, less an allowance for doubtful accounts. The allowance is based on collection experience and other circumstances that may affect the ability of agencies and donors to meet their obligations. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of December 31, 2025, management deemed that no allowance for doubtful accounts was necessary on contracts receivable.

Property and Equipment and Website Development

Acquisitions of assets in excess of \$3,000 are capitalized at cost. Property and equipment are

See accompanying Independent Auditor's Report

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.

NOTES TO THE COMBINING FINANCIAL STATEMENTS

As of December 31, 2025 and for the year then ended

depreciated using the straight-line method over the assets estimated useful lives, as follows: furniture and equipment – 3 to 5 years. Website development costs are amortized over 3 years.

Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the sum of expected undiscounted cash flows are less than the carrying amount of the asset. If impairment has occurred, the loss is measured based on the amount by which the carrying value exceeds its fair market value. Management does not believe that any impairment has occurred as of December 31, 2025.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service.

Contributed Services and Other In-Kind Contributions

Contributed services are recorded if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of volunteers have contributed significant amounts of their time in the Organization's program services but are not recognized as contributions in the combining financial statements because they do not meet the aforementioned criteria. For the year ended December 31, 2025, there were no in-kind contributions.

Contribution Revenues

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promises to give contains a donor or grantor condition when both of the following are present: A) an explicit indication of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized; B) An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending upon the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combining statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.

NOTES TO THE COMBINING FINANCIAL STATEMENTS

As of December 31, 2025 and for the year then ended

Measure of Operation

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the combining statement of activities. The combining statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringe are allocated based on estimations of time and effort. Indirect costs such as occupancy and office related expenses are allocated based upon time spent, utilization and square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

Income Tax

CCI, the Foundation, and Public Lands qualify as tax-exempt organizations and are generally not subject to income tax under the following sections of the Internal Revenue Code: CCI – Section 501(c)(4), Public Lands – Section 501(c)(4), and the Foundation – Section 501(c)(3).

CCI is subject to income tax at corporate tax rates for unrelated business income received under certain marketing agreements. During 2025, CCI reported taxable income of \$125,498 and incurred Federal and State income tax expense totaling \$31,483. Public Lands and the Foundation did not recognize any unrelated business income in 2025.

The Organization has not recognized any cumulative adjustment relating to the adoption of FASB ASC Income Tax Topic, nor are there any unrecognized tax benefits to be disclosed as of December 31, 2025. Uncertainty in income taxes for a not-for-profit organization would include the status of its exemption from taxes, status of filings in local jurisdictions, and unrelated business income, if any. The Organization's information return filing for the years 2023 to 2025 remains subject to examination by the Internal Revenue Service.

Compensated Absences

The Organization provides vacation and sick leave to its employees. These are earned based on years of service and subject to limitations on accumulation. Upon separation from service, employees are paid for unused leaves.

Leases

On January 1, 2022, the Organization adopted ASC 842, *Leases*, as amended, which supersedes the lease accounting guidance under Topic 840, and generally requires lessees to recognize operating and finance lease liabilities and corresponding right-of-use (ROU) assets on the statement of financial

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COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.

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As of December 31, 2025 and for the year then ended

position and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from lease arrangements. The Organization elected transitional practical expedients for existing leases which eliminated the requirements to reassess existing lease classification, initial direct costs, and whether contracts contain leases. Also, the Organization elected to present the payments associated with short-term leases as an expense in statements of activities. Short-term leases are leases with a lease term of 12 months or less.

Recent Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying combined financial statements. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

NOTE 2: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”) guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

At December 31, 2025, the Organization’s investments resided in the following classifications:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of Deposit	\$ 3,329,141	\$ -	\$ 3,329,141	\$ -
US Treasury Notes	601,268	-	601,268	-
Total	<u>\$ 3,930,409</u>	<u>\$ -</u>	<u>\$ 3,930,409</u>	<u>\$ -</u>

See accompanying Independent Auditor’s Report

COLORADO COUNTIES, INC., CCI FOUNDATION, INC. AND CCI PUBLIC LANDS, INC.

NOTES TO THE COMBINING FINANCIAL STATEMENTS

As of December 31, 2025 and for the year then ended

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

US Treasury notes are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

Based upon the Organization's intent and ability to hold its certificates of deposit to maturity (which maturities range up to twenty four months at purchase), such securities have been classified as held-to-maturity and are carried at amortized cost, which approximates market value. Certificates of deposit held as of December 31, 2025 have maturities in 2026 for \$1,346,532, and in 2027 for \$1,982,609.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the combining statement of financial position.

Investment income recorded in the combining statement of activities is as follows as of December 31, 2025:

Interest and dividends	\$ 185,944
Unrealized gain/(loss)	18,301
Total	<u>\$ 204,245</u>

NOTE 3: PROPERTY AND EQUIPMENT, WEBSITE

Property and equipment at December 31, 2025 are summarized as follows:

Furniture and equipment	\$ 202,332
Accumulated depreciation	(67,869)
Net property and equipment	<u>\$ 134,463</u>

Depreciation expense for the year ended December 31, 2025 totaled \$34,104.

Website	\$ 55,000
Accumulated amortization	(12,222)
Net website costs	<u>\$ 42,778</u>

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Amortization expense for the year ended December 31, 2025 totaled \$12,222.

NOTE 4: REIMBURSEMENT IN LIEU OF COLORADO UNEMPLOYMENT INSURANCE PREMIUMS

The Organization has elected the direct reimbursement method with respect to Colorado unemployment tax in accordance with Section 8-76-110, Paragraph 4 of the Colorado Unemployment Security Act. Accordingly, the Organization does not pay Colorado unemployment tax, but is required to reimburse the State for any unemployment benefits paid on its behalf. No amounts were paid to the State in 2025.

NOTE 5: BOARD DESIGNATED NET ASSETS

The board has designated a portion of net assets without donor restrictions to be set aside for the following purposes:

Membership Stabilization Fund	\$ 632,000
Conference Cancellation Fund	250,000
CCI Building Maintenance Fund	225,000
Capital Equipment Replacement Fund	60,000
Unemployment Insurance Fund	31,500
Health Insurance Fund	30,000
	<u>\$ 1,228,500</u>

NOTE 6: RELATED-PARTY TRANSACTIONS

CCI provides management and administrative services for the Foundation and Public Lands. In 2025, the Foundation paid CCI \$158,552 and Public Lands paid CCI \$12,254 for management fees. At December 31, 2025, the Foundation owed CCI \$19,554.

NOTE 7: RETIREMENT PLAN

CCI maintains a Simplified Employee Pension Plan (the “Plan”) for the benefit of all employees. Employer contributions are 15% of eligible wages. In 2025, CCI contributed \$96,342 to the Plan.

NOTE 8: COMMITMENTS & CONTINGENCIES

Occupancy Fees

CCI owned an office condominium in Denver, Colorado, which served as the Organization’s administrative office. CCI sold the office during 2025 for \$500,000, resulting in a loss on disposal of \$362,664. CCI subsequently rented the space back from the buyer and paid rent totaling \$56,277 during 2025.

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Conference Fees

CCI has entered into contracts with hotels for certain conferences to be held in 2026. Commitments under these contracts total \$596,634.

NOTE 9: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization’s revenue from contracts with customers is recognized within the following categories for the year ended December 31, 2025:

Colorado Counties, Inc.:		
Dues and assessments	\$	1,558,382
Marketing services		129,847
CCI Foundation, Inc.:		
Dues and assessments		193,656
Conference registration fees		524,522
CCI Public Lands, Inc.:		
Dues and assessments		53,201
	\$	<u>2,459,608</u>

A description of the Organization’s revenue streams is as follows:

Colorado Counties, Inc.

Dues and assessments: All counties of the State of Colorado and any city authorized by Colorado law are eligible for membership. Membership dues are based on the entities’ assessed valuation and other factors. The dues are assessed and payable on January 1st for the calendar year. Any member that fails to pay its membership dues by February 15th may be terminated for nonpayment. Membership dues are recognized over the period of membership, generally one calendar year, as the member receives and consumes the benefits provided.

Marketing Services: CCI is a member of the National Association of Counties (NACo). NACo generates advertising revenue from its publications. CCI gets a percentage of the revenues generated from this revenue stream. Revenue is recognized monthly based on allocations from NACo.

CCI Foundation, Inc.

Dues and assessments: The Foundation offers various levels of membership. Members receive listing on the CCI website, CCI Annual Report, and in the summer and winter conference printed programs. Members also receive e-newsletters and the CCI Legislative Report publication. Certain membership levels are offered discounts on conference sponsorships and provided two complimentary registrations at a conference. Membership dues are recognized over the period of membership, generally one year, as the member receives and consumes the benefits provided. The change in the Foundation’s deferred dues accounts for the year ended December 31, 2025, is comprised of the following:

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January 1, 2025	\$ 106,650
Membership revenues received	179,810
Membership revenues earned	<u>(193,656)</u>
December 31, 2025	<u>\$ 92,804</u>

Conference Registration Fees: The Foundation generally holds both a summer and a winter conference. Conference income is recognized at the date of the conference conclusion.

Receivables and contract assets and liabilities from contracts with customers were as follows:

	Accounts Receivable	Deferred Dues
January 1, 2025	\$ 87,373	\$ 106,650
December 31, 2025	\$ 65,399	\$ 92,804

CCI Public Lands, Inc.

Dues and assessments: All counties of the State of Colorado are eligible for membership. Membership dues are based on budgeted expenditures and that entities prior year Federal land funding and other factors. The dues are assessed and payable on January 1st for the calendar year. Membership dues are recognized over the period of membership, generally one calendar year, as the member receives and consumes the benefits provided. In general, the Organization feels the output method is the most faithful depiction of the transfers of goods or services to customers, using time elapsed.

The key factor affecting the amount, timing, and uncertainty of the Organization’s revenue is its concentration of revenue attributed to dues and assessments. Management does not believe that the Organization is exposed to any significant risk to its concentration of revenues.

NOTE 10: LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the combining statement of financial position date, are comprised of the following as of December 31, 2025:

Cash and equivalents-unrestricted	\$ 913,514
Certificates of deposit, current	1,346,532
US Treasury notes, current	400,268
Accounts receivable	65,399
Prepaid expenses	61,321
Interest receivable	<u>28,186</u>
Total combined financial assets at year-end	2,815,220

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Less: Board designated funds:	<u>(1,228,500)</u>
Total combined financial assets available for general expenditure	<u>\$ 1,586,720</u>

The Organization has established a reserve policy to ensure the stability of the mission, programs, and ongoing operations of the Organization. The established reserve funds are intended to provide an internal source of funds for situations such as sudden increases in expenses, one-time unbudgeted expenses or unanticipated loss of funding sources. On December 31, 2025, the Board of Directors established a number of reserve funds as described in Note 5.

NOTE 11: LEASE AGREEMENTS

Operating Lease

During 2025, the Organization sold its building and was scheduled to enter into a long-term lease, however, the office space was under construction and the Organization leased the original building back from the seller. The lease was month-to-month for January 2025 to July 2025 with a monthly lease payment of \$8,039. Total lease expense totaled \$56,277 for the year ended December 31, 2025.

On January 10, 2025, the Organization entered into a lease for office space in Denver, Colorado. The lease term commenced on August 1, 2025 and is scheduled to expire on October 10, 2040. Monthly lease obligations range from \$7,926 to \$12,035. During 2025, the lease agreement was amended allowing an abatement on Organization's rent payments from August 2025 through May 2026.

The following table summarizes the maturity of lease liabilities under the operating lease for subsequent years as of December 31, 2025:

2026	\$ 55,479
2027	97,161
2028	100,684
2029	104,207
2030	107,730
Thereafter	<u>1,246,952</u>
Total undiscounted cash flows	1,712,213
Unamortized interest	<u>(737,692)</u>
Present value of operating lease liability	<u>\$ 974,521</u>
Operating lease liability, current	\$ 41,604
Operating lease liability, non-current	<u>932,918</u>
Present value of operating lease liability	<u>\$ 974,521</u>

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Components of lease cost:

Operating lease costs	\$	46,782
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**Cash paid for amounts included in the measurement of
lease liability:**

	\$	-
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**Lease liability arising from ROU asset (subsequent to
adoption):**

	\$	944,630
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Remaining lease term and discount rate

Remaining lease term		14.83
Discount rate		7.50%

Total lease expense totaled \$103,058 for the year ended December 31, 2025.

NOTE 12: SUBSEQUENT EVENTS

Management's Evaluation

Management of the Organization has evaluated events and transactions that occurred after the statement of financial position date through April 6, 2026, the date the combining financial statements were available to be issued and has determined that no additional subsequent events occurred that require recognition or disclosure in the combining financial statements.