COLORADO FIREFIGHTER HEART, CANCER, AND BEHAVIORAL HEALTH BENEFITS TRUST

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2026 AND 2025

COLORADO FIREFIGHTER HEART, CANCER, AND BEHAVIORAL HEALTH BENEFITS TRUST
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YEARS ENDED JUNE 30, 2026 AND 2025

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Colorado Firefighter Heart, Cancer, and
Behavioral Health Benefits Trust
Denver, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Colorado Firefighter Heart, Cancer, and Behavioral Health Benefits Trust (the Trust) as of and for the years ended June 30, 2026 and 2025 and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of June 30, 2026 and 2025, and the changes in financial position 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 (GAAS). 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 the Trust 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.

Emphasis of Matter

As discussed in Note 5 to the financial statements, the Trust implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*, for the fiscal year ended June 30, 2026. This implementation resulted in changes to the presentation and certain disclosures within the financial statements, including enhanced management's discussion and analysis and the classification of operating and nonoperating revenues and expenses within the Trust's enterprise fund financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS, 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 Trust'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 Trust'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.

Board of Trustees
Colorado Firefighter Heart, Cancer, and
Behavioral Health Benefits Trust

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and loss development information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
August 20, 2026

The Management's Discussion and Analysis (MD&A) is intended to help Trust beneficiaries and other readers understand the Trust's financial performance and financial position for the fiscal years ended June 30, 2026 and 2025, with comparative information for 2024 where useful to provide historical context.

The MD&A should be read in conjunction with the Trust's basic financial statements and accompanying notes and includes explanations informed by the Administrator's knowledge of the Trust's operations and finances.

Overview of the Financial Statements

The Trust is presented as a special purpose government engaged only in business-type activities related to providing heart, cancer, and behavioral health benefits to eligible Colorado firefighters. The Trust's basic financial statements for FY2026 and FY2025 include the statements of net position, the statements of revenues, expenses, and changes in fund net position, the statements of cash flows, and the notes to the financial statements.

The statements of net position report the Trust's assets and liabilities, with the difference reported as net position. The statements of revenues, expenses, and changes in fund net position report activity when the underlying event occurs, regardless of the timing of related cash flows. The statements of cash flows present the Trust's cash flows from operating and investing activities.

Financial Overview

The Trust continued to administer three benefit programs during fiscal year 2026: the heart program, the cancer program, and the behavioral health program. The following information summarizes key indicators management considered in evaluating the Trust's financial activity:

Heart program participation was 128 members covering approximately 5,930 firefighters as of June 30, 2026. Contributions for all eligible firefighters, including part-time and volunteer firefighters, are reimbursable through DOLA, subject to availability of allocated state funding.

Cancer program participation was 133 members covering approximately 6,478 firefighters as of June 30, 2026. Contributions for all eligible firefighters, including part-time and volunteer firefighters, are reimbursable through DOLA, subject to availability of allocated state funding. Cancer program contributions from the Colorado Special Districts Property and Liability Pool workers' compensation program totaled $793,790 for the year ended June 30, 2026.

The behavioral health program continued to be funded through the State contribution and provides reimbursement for eligible behavioral and mental health treatment costs that are not otherwise covered by employer programs, subject to available funding.

Detailed Analyses

The following detailed analyses present three years of financial information to help readers understand the Trust's financial position, results of operations, and significant changes affecting the current year. The tables provide historical context for fiscal years 2026, 2025, and 2024; however, the narrative focuses primarily on changes from fiscal year 2025 to fiscal year 2026, with fiscal year 2024 information included where useful to explain longer-term trends.

The following tables summarize selected financial position information for fiscal years 2026, 2025, and 2024.

	Heart Benefits		Cancer Benefits		Behavioral Health Benefits		Total		Total Percentage Change
	2026	2025	2026	2025	2026	2025	2026	2025	2026-2025
ASSETS									
Cash	$ 205,099	$ 1,464,534	$ 194,701	$ 638,731	$ 20,438	$ 197,004	$ 420,238	$ 2,300,269	-81.7%
COLOTRUST Investment	3,150	3,025	9,537	9,164	-	-	12,687	12,189	4.1%
CSAFE Investment	262,299	235	9,105	1,911	6,287	1,543	277,691	3,689	7427.5%
Schwab Investment	4,009,610	2,903,323	4,090,391	3,350,752	866,377	1,049,678	8,966,378	7,303,753	22.8%
Deposit with Sedgwick	9,850	9,850	(15,588)	(9,850)	10,000	-	4,262	-	0.0%
Receivables	-	135	-	699	-	-	-	834	-100.0%
Prepaid Expense	15,027	10,426	28,270	18,874	10,258	5,900	53,555	35,200	52.1%
Total Assets	$ 4,505,035	$ 4,391,528	$ 4,316,416	$ 4,010,281	$ 913,360	$ 1,254,125	$ 9,734,811	$ 9,655,934	0.8%
LIABILITIES AND NET POSITION									
LIABILITIES									
Claims Loss Reserve	$ 458,087	$ 272,482	$ 902,146	$ 1,146,752	$ 251,122	$ 439,307	$ 1,611,355	$ 1,858,541	-13.3%
Unearned Contributions	298,194	659,071	322,012	622,230	-	-	620,206	1,281,301	-51.6%
Accrued Expenses	257	998	-	2,877	10,660	12,395	10,917	16,270	-32.9%
Total Liabilities	756,538	932,551	1,224,158	1,771,859	261,782	451,702	2,242,478	3,156,112	-28.9%
NET POSITION									
Unrestricted	3,748,497	3,458,977	3,092,257	2,238,422	651,579	802,423	7,492,333	6,499,822	15.3%
Total Net Position	3,748,497	3,458,977	3,092,257	2,238,422	651,579	802,423	7,492,333	6,499,822	15.3%
Total Liabilities and Net Position	$ 4,505,035	$ 4,391,528	$ 4,316,415	$ 4,010,281	$ 913,361	$ 1,254,125	$ 9,734,811	$ 9,655,934	0.8%

	Heart Benefits		Cancer Benefits		Behavioral Health Benefits		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2025	2024	2025-2024
ASSETS									
Cash	$ 1,464,534	$ 451,206	$ 638,731	$ 234,433	$ 197,004	$ 126,197	$ 2,300,269	$ 811,836	183.3%
COLOTRUST Investment	3,025	2,883	9,164	32,739	-	-	12,189	35,622	-65.8%
CSAFE Investment	235	398,521	1,911	534,187	1,543	172,869	3,689	1,105,577	-99.7%
Schwab Investment	2,903,323	2,676,555	3,350,752	2,151,307	1,049,678	1,185,230	7,303,753	6,013,092	21.5%
Deposit with Sedgwick	9,850	9,850	(9,850)	(11,413)	-	10,000	-	8,437	-100.0%
Receivables	135	-	699				834	-	0.0%
Prepaid Expense	10,426	5,099	18,874	14,753	5,900	2,549	35,200	22,401	57.1%
Total Assets	$ 4,391,528	$ 3,544,114	$ 4,010,281	$ 2,956,006	$ 1,254,125	$ 1,496,845	$ 9,655,934	$ 7,996,965	20.7%
LIABILITIES AND NET POSITION									
LIABILITIES									
Claims Loss Reserve	$ 272,482	$ 312,734	$ 1,146,752	$ 387,747	$ 439,307	$ 236,255	$ 1,858,541	$ 936,736	98.4%
Unearned Contributions	659,071	437,459	622,230	467,892	-	-	1,281,301	905,351	41.5%
Accrued Expenses	998	-	2,877	-	12,395	225	16,270	225	7131.1%
Total Liabilities	932,551	750,193	1,771,859	855,639	451,702	236,480	3,156,112	1,842,312	71.3%
NET POSITION									
Unrestricted	3,458,977	2,793,921	2,238,422	2,100,367	802,423	1,260,365	6,499,822	6,154,653	5.6%
Total Net Position	3,458,977	2,793,921	2,238,422	2,100,367	802,423	1,260,365	6,499,822	6,154,653	5.6%
Total Liabilities and Net Position	$ 4,391,528	$ 3,544,114	$ 4,010,281	$ 2,956,006	$ 1,254,125	$ 1,496,845	$ 9,655,934	$ 7,996,965	20.7%

The following discussion explains the significant changes and trends reflected in the preceding three-year financial information.

Financial position. The Trust's financial position at June 30, 2026 continued to be driven primarily by resources accumulated to pay heart, cancer, and behavioral health benefit claims. Cash and cash equivalents decreased as a percentage of total assets from approximately 24% at June 30, 2025 to approximately 7% at June 30, 2026. This change reflects management's ongoing allocation of available resources between liquid cash accounts and investments based on expected claims activity, benefit payment needs, and investment opportunities. Investment yields decreased from the prior year, which affected the Trust's investment earnings during fiscal year 2026. COLOTRUST yielded 3.76% at June 30, 2026 compared with 4.38% at June 30, 2025; CSAFE yielded 3.84% compared with 4.78%; and Schwab yielded 4.17% compared with 4.77%. Although yields declined from the prior year, investments remained the Trust's largest asset category and continued to support the Trust's liquidity and funding strategy for future benefit payments.

For additional historical context, cash and cash equivalents represented approximately 14% of total assets at June 30, 2024. Over the three-year period, investments remained the largest component of total assets, consistent with the Trust's objective of maintaining sufficient liquidity for claim payments while investing excess resources in accordance with its conservative investment policy.

Claims payable and claim expense. Claims payable and claim expense are significant estimates and are among the primary factors affecting the Trust's financial results. The Trust records liabilities for reported claims and for claims incurred but not reported based on actuarial projections and claim activity. For coverage year 2025-2026, projected reserves, including incurred but not reported amounts, were $902,146 for the cancer program, $458,087 for the heart program, and $251,122 for the behavioral health program. These estimates increased from the prior year, reflecting changes in claim activity, open claims, and expected ultimate claim costs. Total net incurred losses for coverage year 2025-2026 were $684,289 for the heart program, $1,263,344 for the cancer program, and $221,002 for the behavioral health program. In comparison, coverage year 2023-2024 incurred losses were $(22,985) for the heart program, $809,670 for the cancer program, and $479,940 for the behavioral health program. The three-year trend indicates that claim activity, particularly in the cancer and behavioral health programs, has increased and continues to be a key factor in changes in operating results. Although the reserve and incurred loss information is presented by coverage year, these estimates directly affect the Trust's fiscal year financial results through claims payable and claim expense.

The following tables summarize selected operating results for fiscal years 2026, 2025, and 2024.

	Heart Benefits		Cancer Benefits		Behavioral Health Benefits		Total		Total Percentage Change
	2026	2025	2026	2025	2026	2025	2026	2025	2026-2025
OPERATING REVENUE									
Contributions	$ 1,122,517	$ 958,567	$ 1,548,505	$ 1,330,190	$ -	$ -	$ 2,671,022	$ 2,288,757	16.7%
OPERATING EXPENSES									
Claims Expense	684,289	175,476	1,263,344	1,822,867	221,002	1,391,463	2,168,635	3,389,806	-36.0%
Claims Administration Fees	41,182	21,003	81,599	43,655	19,988	10,501	142,769	75,159	90.0%
Management Expenses	112,252	95,857	234,235	207,750	25,000	100,000	371,487	403,607	-8.0%
General and Administrative Expenses	129,317	181,033	63,210	49,214	165,865	49,353	358,392	279,600	28.2%
Total Operating Expenses	967,040	473,369	1,642,388	2,123,486	431,855	1,551,317	3,041,283	4,148,172	-26.7%
OPERATING INCOME (LOSS)	155,477	485,198	(93,883)	(793,296)	(431,855)	(1,551,317)	(370,261)	(1,859,415)	-80.1%
NONCAPITAL SUBSIDIES									
State Revenue	-	-	-	-	250,000	1,000,000	250,000	1,000,000	-75.0%
Colorado Special Districts Pool Revenue	-	-	793,790	747,313	-	-	793,790	747,313	6.2%
Total Noncapital Subsidies	-	-	793,790	747,313	250,000	1,000,000	1,043,790	1,747,313	-40.3%
OTHER NONOPERATING REVENUE									
Net Investment Income	134,043	179,858	153,928	184,038	31,011	93,375	318,982	457,271	-30.2%
INCREASE IN NET POSITION	289,520	665,056	853,835	138,055	(150,844)	(457,942)	992,511	345,169	187.5%
NET POSITION - BEGINNING OF YEAR	3,458,977	2,793,921	2,238,422	2,100,367	802,423	1,260,365	6,499,822	6,154,653	5.6%
NET POSITION - END OF YEAR	$ 3,748,497	$ 3,458,977	$ 3,092,257	$ 2,238,422	$ 651,579	$ 802,423	$ 7,492,333	$ 6,499,822	15.3%

	Heart Benefits		Cancer Benefits		Behavioral Health Benefits		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2025	2024	2025-2024
OPERATING REVENUE									
Contributions	$ 958,567	$ 771,155	$ 1,330,190	$ 1,024,102	$ -	$ -	$ 2,288,757	$ 1,795,257	27.5%
OPERATING EXPENSES									
Claims Expense	175,476	(22,985)	1,822,867	809,670	1,391,463	479,940	3,389,806	1,266,625	167.6%
Claims Administration Fees	21,002	21,099	43,655	39,279	10,501	10,380	75,159	70,758	6.2%
Management Expenses	95,858	77,116	207,750	171,838	100,000	100,000	403,607	348,954	15.7%
General and Administrative Expenses	181,033	101,208	49,214	36,356	49,353	47,610	279,600	185,174	51.0%
Total Operating Expenses	473,369	176,438	2,123,486	1,057,143	1,551,317	637,930	4,148,172	1,871,511	121.6%
OPERATING INCOME (LOSS)	485,198	594,717	(793,296)	(33,041)	(1,551,317)	(637,930)	(1,859,415)	(76,254)	2338.4%
NONCAPITAL SUBSIDIES									
State Revenue	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	0.0%
Colorado Special Districts Pool Revenue	-	-	747,313	694,273	-	-	747,313	694,273	7.6%
Total Noncapital Subsidies	-	-	747,313	694,273	1,000,000	1,000,000	1,747,313	1,694,273	3.1%
OTHER NONOPERATING INCOME									
Investment Income	179,858	134,027	184,038	121,839	93,375	78,400	457,271	334,266	36.8%
INCREASE (DECREASE) IN NET POSITION	665,056	728,744	138,055	783,071	(457,942)	440,470	345,169	1,952,285	-82.3%
NET POSITION - BEGINNING OF YEAR	2,793,921	2,065,177	2,100,367	1,317,296	1,260,365	819,895	6,154,653	4,202,368	46.5%
NET POSITION - END OF YEAR	$ 3,458,977	$ 2,793,921	$ 2,238,422	$ 2,100,367	$ 802,423	$ 1,260,365	$ 6,499,822	$ 6,154,653	5.6%

The operating results information above highlights the relationship between contribution revenue, claim expense, administrative costs, and the resulting change in net position over the three-year period; the following narrative explains the primary factors affecting those changes, with emphasis on fiscal year 2026 compared with fiscal year 2025.

Operating revenues. Operating revenues consist of state funding and a grant program for the behavioral health program. Heart program contributions increased by $187,412, or approximately 24%, from 2025 to 2026, and cancer program contributions increased by $218,315, or approximately 16%, from 2025 to 2026. These increases were primarily attributable to changes in participation, contribution levels, and reimbursement activity. Cancer program contributions also included $793,790 from the Colorado Special Districts Property and Liability Pool workers' compensation program for the year ended June 30, 2026. The behavioral health program continued to be funded through a $250,000 State contribution. Compared with 2024, contribution activity in the heart and cancer programs has generally increased, indicating continued growth in program participation and funding activity.

Operating expenses. Operating expenses consist primarily of claim expense, claims administration costs, management fees, and other program administrative expenses. Total claim expense decreased significantly in 2026, primarily because behavioral health claim expense declined by approximately $1.17 million and cancer claim expense declined by approximately $560 thousand, partially offset by increased heart program claim costs. Management fees for the operation, administration, and management of the Trust by McGriff, a Marsh & McLennan Agency LLC Company, are based on 10% of the expiring year's gross written contributions and were $371,487 and $403,607 for the years ended June 30, 2026 and 2025, respectively. General and administrative expenses also changed based on program-specific activity. Behavioral health program management expenses decreased by $75,000 from 2025 to 2026, primarily due to the decreased funding from the state while the general and administrative expenses increased by $116,512 with processing overhead. Cancer program general and administrative expenses increased by $12,858 from 2025 to 2026, primarily due to a $13,445 increase in the loss prevention grant program. These administrative cost changes were smaller than the changes in claim expense and therefore were not the primary driver of the overall change in results.

Change in net position. The increase in net position was $647,342 from 2025 to 2026. The increase was primarily due to lower claim expenses, reduced state subsidy, and lower investment income including decreases of $1,170,461 in the behavioral health program with an offsetting increase of $508,813 in the heart program. These increases were partially offset by higher contributions, including a $218,315 increase in cancer program contributions and a $163,950 increase in heart program contributions. The three-year trend shows that the Trust's results are sensitive to claim development, actuarial estimates, contribution levels, and State funding. Management considers these factors when evaluating future contribution rates, available resources, liquidity needs, and the sufficiency of funding for future benefit payments.

Significant Capital Asset and Long-Term Financing Activity

The Trust did not have significant capital asset or long-term financing activity to report for the year ended June 30, 2026, June 30, 2025, or June 30, 2024. The Trust's financial activity is driven primarily by member and State contributions, claim activity, administrative costs, and investment earnings.

Currently Known Facts, Decisions, or Conditions

For the fiscal year ended June 30, 2026, the Trust implemented GASB Statement No. 103, Financial Reporting Model Improvements. Under GASB 103, transactions previously reported within other nonoperating revenue are reported as noncapital subsidies. The implementation affected only financial statement presentation and did not affect net position, change in net position, or cash flows.

Management will continue to work with the Trust's actuary to review experience and set rates at levels intended to be sufficient to cover claims incurred. The heart and cancer programs continue to maintain positive net positions. The behavioral health program will continue to provide coverage as long as State funding remains available with the lifetime cap applied.

The cancer program continues to be affected by reimbursement considerations related to the Colorado Special Districts Property and Liability Pool workers' compensation program. Fire districts participating in both the Pool workers' compensation program and the Trust cancer program receive a 100% contribution from the Pool workers' compensation program to the Trust cancer program, excluding breast and thyroid cancer coverage. Management expects reimbursement percentages to change over time as cancer loads in the National Council on Compensation Insurance rates change. In the current year, the Trust notified members of a 5-year credit reduction plan that will gradually reduce Pool contributions to zero as state funding increases over time.

COLORADO FIREFIGHTER HEART, CANCER, AND BEHAVIORAL HEALTH BENEFITS TRUST
STATEMENTS OF NET POSITION
JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 710,616	$ 2,316,147
Investments	8,966,378	7,303,753
Deposit with Sedgwick	4,262	-
Receivables	-	834
Prepaid Expenses	53,555	35,200
Total Assets	$ 9,734,811	$ 9,655,934
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Claims Loss Reserve	$ 1,611,355	$ 1,858,541
Unearned Contributions	620,206	1,281,301
Accrued Expenses	10,917	16,270
Total Liabilities	2,242,478	3,156,112
NET POSITION		
Unrestricted	7,492,333	6,499,822
Total Net Position	7,492,333	6,499,822
Total Liabilities and Net Position	$ 9,734,811	$ 9,655,934

See accompanying Notes to Financial Statements.

COLORADO FIREFIGHTER HEART, CANCER, AND BEHAVIORAL HEALTH BENEFITS TRUST
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
OPERATING REVENUE		
Contributions	$ 2,671,022	$ 2,288,757
OPERATING EXPENSES		
Claims Expense	2,168,635	3,389,806
Claims Administration Fees	142,769	75,159
Management Expense	371,487	403,607
General and Administrative Expenses	358,392	279,600
Total Operating Expenses	3,041,283	4,148,172
OPERATING LOSS	(370,261)	(1,859,415)
NONCAPITAL SUBSIDIES		
State Revenue	250,000	1,000,000
Colorado Special Districts Pool Revenue	793,790	747,313
Total Noncapital Subsidies	1,043,790	1,747,313
OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES	673,529	(112,102)
OTHER NONOPERATING REVENUE		
Net Investment Income	318,982	457,271
INCREASE IN FUND NET POSITION	992,511	345,169
Fund Net Position - Beginning of Year	6,499,822	6,154,653
FUND NET POSITION - END OF YEAR	$ 7,492,333	$ 6,499,822

See accompanying Notes to Financial Statements.

COLORADO FIREFIGHTER HEART, CANCER, AND BEHAVIORAL HEALTH BENEFITS TRUST
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions Received from Members	$ 2,009,093	$ 2,665,541
Claims Paid	(2,415,821)	(2,468,001)
Commissions, Contributions, and Administrative Expenses Paid	(900,618)	(746,683)
Net Cash Used by Operating Activities	(1,307,346)	(549,143)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from Other Governments	1,043,790	1,747,313
Net Cash Provided by Noncapital Financing Activities	1,043,790	1,747,313
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(10,743,585)	(6,496,864)
Proceeds from Sales and Maturities of Investments	9,082,628	5,204,535
Investment Income	318,982	457,271
Net Cash Used by Investing Activities	(1,341,975)	(835,058)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,605,531)	363,112
Cash and Cash Equivalents - Beginning of Year	2,316,147	1,953,035
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 710,616	$ 2,316,147
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	$ (370,261)	$ (1,859,415)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Effect of Changes in Assets and Liabilities:		
Prepaid Expenses	(18,355)	(12,799)
Accounts Receivable	(834)	834
Claims Loss Reserve	(247,186)	921,805
Unearned Contributions	(661,095)	375,950
Accrued Expenses	(5,353)	16,045
Deposit with Sedgwick	(4,262)	8,437
Total Adjustments	(937,085)	1,310,272
Net Cash Used by Operating Activities	$ (1,307,346)	$ (549,143)

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Colorado Firefighter Heart and Circulatory Benefits Trust was established to provide a benefit plan that provides firefighter heart and circulatory malfunction benefits consistent with the provisions of Part 3 of Article 5 of Title 29, C.R.S for eligible employees of any member district, city, or town of the Trust. The Trust began to provide heart and circulatory benefits beginning January 1, 2015. At June 30, 2026 and 2025, there were 128 and 113 members, respectively.

On May 17, 2017, pursuant to Colorado Senate Bill 17-214, which enacted Part 4 of Article 5 of Title 29, C.R.S for eligible employees of any member district, city, or town of the Trust, the Trust amended its trust agreement to acknowledge participation in a voluntary cancer benefit trust providing a cancer benefit plan outlined in the C.R.S. The Trust adopted a new legal name at this time, Colorado Firefighter Heart and Cancer Benefits Trust (the Trust). Such name change and amendments to the trust agreement took effect, and the Trust began providing cancer benefits to members on July 1, 2017. The breast and thyroid cancer coverage was added to the cancer award program effective January 1, 2021 and July 1, 2022, respectively. The cost for breast and thyroid cancer coverage is not eligible for reimbursement through the Colorado Special Districts Property and Liability Pool given that the cost of covering breast and thyroid cancer claims is not contemplated in the NCCI rates as it is for other covered cancers under the statutory Workers' Compensation Act. At June 30, 2026 and 2025 there were 133 and 116 members, respectively. The members are made up of districts, cities, and towns within Colorado. The Trust accepts contributions from members to be paid over to the Trust Committee in accordance with terms of its trust agreement, which are held in trust and then disbursements are made from the Trust in accordance with its trust agreement.

The behavioral health program was launched on February 10, 2023 pursuant to Colorado Senate Bill 22-002. The Trust adopted a new legal name at this time, Colorado Firefighter Heart, Cancer and Behavioral Health Benefits Trust. Colorado Firefighter Trust, which is a shorter version of the legal name, is being used as the DBA name. The coverage is automatically extended to all Colorado firefighters to receive reimbursement for behavioral and mental health treatment that is not already covered by any other employer offered programs such as deductibles, co-pays, and out-of-pocket expenses. There is no enrollment required and the coverage is available as long as funding lasts from the state.

The Trust provides an essential governmental function to its members as described in Section 115 of the Internal Revenue Code (IRC) and is considered to be exempt from federal income taxes pursuant to the IRC.

Basis of Presentation and Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental risk pools, set forth by the Governmental Accounting Standards Board. The activities of the Trust are accounted for as an enterprise fund, and the economic resources measurement focus, and accrual basis of accounting is utilized where revenue is recognized when earned and expenses are recognized when the liability is incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

The Trust distinguishes between operating revenues and expenses and nonoperating items in the statements of revenues, expenses, and changes in fund net position. Operating revenues and expenses generally result from providing services in connection with the Trust's purpose of providing heart, cancer and behavioral health benefits for its members. Operating revenues consist of contributions from its members. Operating expenses include the cost of claims paid and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash Equivalents

For purposes of the statements of cash flows, the Trust considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Investments

Participating interest earning investments that have a maturity of less than one year from the date of purchase are reported at amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Investments in the local government investment pools are stated at net asset value.

Claim Loss Reserve and Claims Expense

The claim loss reserve and claims expense (both allocated and unallocated) include estimates of the ultimate net cost of all losses which are incurred but unpaid, as well as a provision for incurred but not reported losses, as of June 30, 2026 and 2025.

The claim loss reserve and claims expense are both determined using individual case evaluations and independent actuarial projections. These estimates are continually reviewed and, as adjustments become necessary, such adjustments are reflected in current operations. The liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors, and are reported at present values.

Since reserves are based on estimates, the ultimate settlement of claims may vary from the amounts included in the financial statements. Although it is not possible to measure the degree of variability inherent in such estimates, management believes that the claim loss reserve and claims expenses are reasonable.

Contributions

The Trust agreement provides for contributions from the members in accordance with rates established by the board of trustees. The board of trustees reserves the right to increase or adjust the rates based on an actuarial evaluation of the claims experience.

Contributions are recognized as earned on a daily pro rata basis in proportion to the period of coverage provided.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Contributions billed and received prior to the due date are recorded as unearned contributions and recognized as revenue in the period for which they relate.

Net Position

Net position presents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the statement of net position. Restricted net position results when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through constitutional provisions or enabling legislation. The Trust has no restricted net position; all net position is considered unrestricted.

Use of Estimates

The preparation of the Trust's financial statements in conformity with accounting principles generally accepted in the United States of America requires Trust management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government, and entities such as the Trust, deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all of the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits. The Trust does not have any uncollateralized deposits as amounts above the federal insurance levels are collateralized by PDPA.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2026 and 2025, the Trust's cash deposits had a carrying balance of $420,238 and $2,300,269, respectively.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments

The Trust has adopted an investment policy, which limits investments to:

- U S. Treasury and Agencies
- U.S. Government Sponsored Enterprises
- U.S. Municipal Securities
- Corporate Debt Instruments of all forms (excluding subordinated, must be U.S. Dollar denominated)
- Local Government Investment Pools
- Money Market Funds ($1 billion dollar minimum fund size)
- Repurchase Agreements (only collateralized by U.S. Treasury and Agencies or U.S. Government Sponsored Enterprises)

Interest Rate Risk

The Trust has adopted an interest rate risk policy, the policy is as follows: the Trust will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by limiting the maximum duration of the portfolio to ten years. The Trust has authorized the investment of up to 20% of the portfolio in securities with maturities between five and ten years from the date of purchase.

As of June 30, the Trust had the following investments:

	Carrying Value	Less Than 1 Year	1-5 Years	6-10 Years
June 30, 2026				
Investment Type:				
Local Government Investment Pool (COLOTRUST)	$ 12,687	$ 12,687	$ -	$ -
Local Government Investment Pool (CSAFE)	277,691	277,691	-	-
U.S. Agency Obligations	2,171,742	-	2,171,742	-
Certificates of Deposit	6,794,636	1,470,496	5,324,140	-
Total Investments	$ 9,256,756	$ 1,760,874	$ 7,495,882	$ -
June 30, 2025				
Investment Type:				
Local Government Investment Pool (COLOTRUST)	$ 12,189	$ 12,189	$ -	$ -
Local Government Investment Pool (CSAFE)	3,689	3,689	-	-
U.S. Treasury Obligations	698,324	698,324	-	-
U.S. Agency Obligations	3,270,166	-	3,083,370	430,039
Certificates of Deposit	3,335,263	690,958	2,401,024	-
Total Investments	$ 7,319,631	$ 1,405,160	$ 5,484,394	$ 430,039

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Trust's investment policy requires that the Trust limit credit risk, the risk of loss due to the failure of the security issuer or backer, by diversifying the investment portfolio so that potential losses on individual securities will be minimized and by limiting investments to specified credit ratings. The investments in the securities of U.S. Government Agencies were all rated AAA by Standard & Poor's, and AAA by Moody's Investors Services. The negotiable certificates of deposit are not rated. The local government investment pools, COLOTRUST and CSAFE, are rated AAA by Standard & Poor's, for both the years ended June 30, 2026 and 2025.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

COLOTRUST

As of June 30, 2026 and 2025, the Trust had invested $12,687 and $12,189, respectively, in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to $1.00.

CSAFE

As of June 30, 2026 and 2025, the Trust had invested $277,691 and $3,689, respectively, in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating CSAFE. The Trust's investment in CSAFE CORE is measured at net asset value, equal to $2.00 per share.

Fair Value of Investments

Fair values represent quoted market prices traded in the public marketplace. The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For investments measured at Net Asset Value (NAV), there are no commitments, the redemption frequency is daily, and there is no redemption notice period. For Level 2 inputs the pricing methodology utilizes the services of firms that provide market standard pricing. These pricing service providers synthesize multiple market inputs to determine a fair value price. As such, the prices are derived from altered or indirectly observable prices to result in a fair value measure.

Investments by Fair Value Level	June 30, 2026	Level 1	Level 2	Level 3
U.S. Agency Obligations	$ 2,171,742	$ -	$ 2,171,742	$ -
Negotiable Certificates of Deposit	6,794,636	-	6,794,636	-
Total Investments at Fair Value	$ 8,966,378	$ -	$ 8,966,378	$ -
Investments at Net Asset Value:				
COLOTRUST	$ 12,687			
CSAFE	277,691			
Total Investments	$ 9,256,756			

Investments by Fair Value Level	June 30, 2025	Level 1	Level 2	Level 3
U.S. Treasury Obligations	$ 698,324	$ -	$ 698,324	$ -
U.S. Agency Obligations	3,270,166	-	3,270,166	-
Negotiable Certificates of Deposit	3,335,263	-	3,335,263	-
Total Investments at Fair Value	$ 7,303,753	$ -	$ 7,303,753	$ -
Investments at Net Asset Value:				
COLOTRUST	$ 12,189			
CSAFE	3,689			
Total Investments	$ 7,319,631			

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

The Trust's investments held in local government investment pools are excluded from this requirement and it does not have any custodial credit risk for the remaining investments.

Concentration of Credit Risk

The nature of the investments held by the trust are excluded from this requirement as they are made up of U.S. government investments and local government investment pools.

NOTE 3 CLAIMS PAYABLE

As discussed in Note 1, the Trust establishes a liability for both reported and unreported claims. The following represents changes in that liability for the Trust for the years ended June 30:

	Heart Benefits			Cancer Benefits			Behavioral Health Benefits			Total		
	2026	2025	2024	2026	2025	2024	2026	2025	2024	2026	2025	2024
Claims Payable - Beginning of Year	$ 272,482	$ 312,734	$ 429,346	$ 1,146,752	$ 387,747	$ 559,773	$ 439,307	$ 236,255	$ 70,155	$ 1,858,541	$ 936,736	$ 1,059,274
Provision for Claims Expenses:												
Provision for Covered Events of the Current Year	168,199	376,493	120,474	962,839	1,176,075	659,594	175,034	1,187,196	482,136	1,306,072	2,739,764	1,262,204
Increase/(Decrease) in Provisions for Covered Events of Prior Years	516,091	(201,018)	(143,458)	300,504	646,793	150,076	45,968	204,267	(2,197)	862,563	650,042	4,421
Total Provision for Claims Expenses (Gains)	684,290	175,475	(22,984)	1,263,343	1,822,868	809,670	221,002	1,391,463	479,939	2,168,635	3,389,806	1,266,625
Payments:												
Claims Expenses Attributable to Covered Events of the Current Year	84,854	169,286	53,477	521,219	315,222	435,538	138,844	841,743	272,366	744,917	1,326,251	761,381
Claims Expenses Attributable to Covered Events of Prior Years	413,831	46,441	40,151	986,730	748,641	546,158	270,343	346,668	41,473	1,670,904	1,141,750	627,782
Total Payments	498,685	215,727	93,628	1,507,949	1,063,863	981,696	409,187	1,188,411	313,839	2,415,821	2,468,001	1,389,163
Claims Payable - End of Year	$ 458,087	$ 272,482	$ 312,734	$ 902,146	$ 1,146,752	$ 387,747	$ 251,122	$ 439,307	$ 236,255	$ 1,611,355	$ 1,858,541	$ 936,736

NOTE 4 ADMINISTRATION

The Trust has an agreement with McGriff, a Marsh & McLennan Agency LLC Company to operate, administer, and manage the Trust. Under this agreement, the management fee is 10% of the expiring year's gross written contribution, which amounted to $371,487 and $403,607 for the years ended June 30, 2026 and 2025, respectively.

The Trust has an agreement with Sedgwick Claims Management Services, Inc. to administer claims processing, which was effective beginning July 1, 2020. The claims processing fees paid for the years ended June 30, 2026 and 2025 were $142,769 and $75,159, respectively.

NOTE 5 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2025, the Trust implemented GASB Statement No. 103, Financial Reporting Model Improvements. The implementation of this standard resulted in the Trust reclassifying certain amounts as noncapital subsidies in the statement of revenues, expenses, and changes in fund net position. The implementation of this standard did not affect beginning net position.

COLORADO FIREFIGHTER HEART, CANCER, AND BEHAVIORAL HEALTH BENEFITS TRUST
LOSS DEVELOPMENT INFORMATION
(SEE INDEPENDENT AUDITORS' REPORT)

	Six Months Ended June 30,	Year Ended June 30,									
	2016*	2017*	2018	2019	2020	2021	2022	2023*	2024	2025	2026
1) Net Earned Required Contributions, Investment Revenue, and Commissions	$ 466,539	$ 510,361	$ 1,108,705	$ 1,277,135	$ 1,352,528	$ 1,520,380	$ 1,719,101	$ 3,301,220	$ 3,824,161	$ 4,497,998	$ 2,924,998
2) Unallocated Expenses	88,751	142,616	287,570	362,907	336,192	316,519	424,262	663,385	570,078	758,381	872,648
3) Estimated Incurred Losses and Expenses - End of Accident Year	122,497	31,770	412,516	589,343	339,291	684,235	630,508	1,178,675	1,262,204	2,739,764	1,306,072
4) Paid (Cumulative) as of:											
End of Accident Year	62,497	27,354	222,339	205,855	185,265	404,568	367,354	408,776	761,381	1,325,705	744,917
One Year Later	79,814	31,931	413,120	652,915	224,265	759,955	828,541	752,072	1,645,453	2,521,570	
Two Years Later	79,814	31,931	416,218	846,233	274,355	881,537	1,059,839	900,971	2,078,973		
Three Years Later	79,814	31,931	416,562	846,672	274,654	933,835	1,093,847	917,848			
Four Years Later	81,549	31,931	417,218	857,079	274,714	985,861	1,118,182				
Five Years Later	81,549	31,931	418,780	857,079	274,744	985,861					
Six Years Later	81,549	31,931	419,609	879,182	275,052						
Seven Years Later	81,549	31,931	420,768	879,182							
Eight Years Later	81,549	31,931	420,768								
Nine Years Later	81,549	31,931									
Ten Years Later	81,549										
5) Re-Estimated Incurred Losses and Expenses Losses and Expense:											
End of Accident Year	122,497	31,770	412,516	589,343	339,291	684,235	630,508	1,178,675	1,169,317	2,837,985	1,521,002
One Year Later	79,814	31,931	417,886	846,291	289,028	931,841	1,060,852	1,194,249	1,975,328	3,288,795	
Two Years Later	79,814	31,931	416,218	849,876	288,680	925,860	1,091,802	916,608	2,147,018		
Three Years Later	79,814	31,931	416,562	848,890	285,039	985,861	1,093,847	917,848			
Four Years Later	81,549	31,931	419,313	858,557	275,399	985,861	1,118,182				
Five Years Later	81,549	31,931	419,657	858,557	274,744	985,861					
Six Years Later	81,549	31,931	419,657	879,182	275,052						
Seven Years Later	81,549	31,931	421,517	879,182							
Eight Years Later	81,549	31,931	420,768								
Nine Years Later	81,549	91,931									
Ten Years Later	81,549										
6) Increase (Decrease) in Estimated Incurred Losses and Expenses from End of Year (5 Less 3)	(40,948)	161	8,252	289,839	(64,239)	301,626	487,674	(260,827)	884,814	549,031	214,930
7) Net Loss and Loss Adjustment Expenses Reserves (5 Less 4)	-	-	-	-	-	-	-	-	68,045	767,225	776,085

* Note: Years ended June 30, 2016 and 2017 include only heart and circulatory benefits.
* Note: In the Year ended June 30, 2023, Behavior Health was added as a benefit.