COLORADO PEACE OFFICERS BENEFIT TRUST

Financial Statements
With Independent Auditors' Report

For the Year Ended June 30, 2026

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Colorado Peace Officers Benefit Trust
Portland, Oregon

Opinion

We have audited the accompanying statutory financial statements of the Colorado Peace Officers Benefit Trust (the Trust), which comprise the statutory statement of assets, liabilities, and net position as of June 30, 2026, and the related statutory statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the statutory financial statements.

In our opinion, the statutory financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net position of the Trust, as of June 30, 2026 and the changes in its revenues, expenses, changes in net position and cash flows for the years then ended in accordance with statutory accounting practices prescribed or permitted by the Colorado Division of Insurance.

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 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.

Basis of Accounting

We draw attention to Note 1 of the statutory financial statements, which describes the basis of accounting and the purpose for which the statutory financial statements are prepared. The statutory financial statements are prepared in accordance with the accounting practices prescribed or permitted by Colorado Division of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the statutory financial statements may not be suitable for another purpose. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with statutory accounting practices prescribed as permitted by the State of Colorado Division of Insurance, 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.

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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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls 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 controls. 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.

Restriction on Use

This report is intended solely for the information and use of the management of the Trust and Colorado Department of Insurance and is not intended to be and should not be used by anyone other than these specified parties.

Mathiesen, Mozpki, Austin & Co. LLP

Lisle, Illinois
August 19, 2026

COLORADO PEACE OFFICERS BENEFIT TRUST
STATUTORY STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
JUNE 30, 2026

Assets		
Current assets		
Cash and cash equivalents	$	56,770
Investments		303,783
Accounts receivable		260
Total Assets	$	360,813
Liabilities and Net Position		
Current liabilities		
Accounts payable	$	5,720
Net Position - unrestricted		355,093
Total Liabilities and Net Position	$	360,813

See Notes to Statutory Financial Statements

COLORADO PEACE OFFICERS BENEFIT TRUST
STATUTORY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2026

Operating revenues	
Grant income	$ 250,000
Operating expenses	
Plan administrative fees	37,500
Legal fees	4,510
Accounting fees	13,942
Marketing fees	58
Total operating expenses	56,010
Operating income	193,990
Nonoperating revenues	
Interest income	3,783
Changes in net position	197,773
Net position - beginning	157,320
Net position - ending	$ 355,093

See Notes to Statutory Financial Statements

COLORADO PEACE OFFICERS BENEFIT TRUST
STATUTORY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

Cash flows from operating activities		
Cash received from grantors	$	450,000
Cash payments to vendors		(93,230)
Net cash from operating activities		356,770
Cash flows from investing activities		
Purchase of investments		(300,000)
Net change in cash and cash equivalents		56,770
Cash and cash equivalents, beginning of year		-
Cash and cash equivalents, end of year	$	56,770
Reconciliation of operating income to net cash from operating activities:		
Operating income	$	193,990
Changes in assets and liabilities:		
Accounts receivable		199,740
Accouts payable		(36,960)
Net cash from operating activities	$	356,770

See Notes to Statutory Financial Statements

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

Colorado Peace Officers Benefit Trust (the Trust) was formed during the fiscal year ending June 30, 2025 as a Colorado government entity that provides heart and circulatory malfunction testing benefits. The Trust is a member-managed organization governed by Colorado law enforcement professionals, including representatives from State Patrol, municipal officers, and sheriffs. Its primary initiative is a cardiac reimbursement program designed to fund vital early-detection heart screenings and cardiac testing for all Colorado law enforcement agencies to protect officers from occupational heart disease. Participation is limited to those employers who are Peace Officer governmental entities, as defined in the Trust Agreement.

Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with the statutory accounting practices permitted by the Colorado Division of Insurance, which is a special purpose framework other than accounting principles generally accepted in the United States of America (GAAP). Under this statutory basis of accounting, the Trust uses the accrual basis of accounting; revenues are recorded when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Management has evaluated the statutory basis of accounting used in preparing these financial statements and has not identified any material differences between the statutory basis presentation and GAAP for the year ending June 30, 2026. Accordingly, no reconciliation to GAAP has been presented.

The following is a summary of the more significant accounting policies of the Trust:

Basis of Presentation

The accompanying financial statements are intended to present the Trust's assets, liabilities, and net position; revenues, expenses, and changes in net position; and cash flow in accordance with the basis of accounting described above. The financial statements are not intended to present financial position, results of operations, changes in net position or cash flows in accordance with GAAP.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The statutory basis of accounting described above does not require presentation of a statement of cash flows. Management has elected to present a statutory statement of cash flows to provide additional information regarding the Trust's cash receipts, cash payments, and changes in cash and cash equivalents during the year. The statutory statement of cash flows is presented for informational purposes and is intended to communicate the substance of the Trust's cash flow activity under the statutory basis of accounting.

Measurement Focus and Basis of Accounting

Under the statutory basis of accounting, the Trust operates as an enterprise fund and uses the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

An enterprise fund is accounted for on a cost of services or "economic resources" measurement focus by statute. This means that all assets and all liabilities associated with the activity of providing benefits are included within the fund.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods or services in connection with an enterprise fund's principal ongoing operations. Operating revenues consists of contributions from its members and grant income. Operating expenses include the costs of claim reimbursements, management expenses, and other operating expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Trust considers all highly liquid investments with an original maturity of 90 days or less at the date of purchase to be cash equivalents. Cash equivalents are carried at cost which approximates fair value due to the short term duration of the instruments.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Investments

The Trust's investments are held in accordance with the investment provisions of the Colorado Revised Statutes.

Investments are stated at net asset value (NAV). NAV is the price that would be received to sell an investment in an orderly transaction at year-end.

The Trust invests in the Colorado Surplus Asset Fund Trust (CSAFE) Colorado Core portfolio, an external investment pool established pursuant to Colorado Revised Statutes to provide investment services to Colorado local governments. CSAFE is governed by a Board of Trustees comprised of representatives of participating governmental entities and is administered by an independent investment manager.

The CSAFE Colorado Core portfolio is not registered with the U.S. Securities and Exchange Commission as an investment company. The CSAFE Colorado Core portfolio is a variable net asset value investment pool that seeks to preserve capital while providing current income through investment in a diversified portfolio of high-quality, short-duration fixed-income securities. The portfolio seeks to maintain a transactional share price of $2.00; however, the Colorado Core portfolio's NAV is based on the fair value of its underlying investments and may fluctuate.

At June 30, 2026, the Trust's investment in CSAFE Colorado Core totaled $303,783. In accordance with the Colorado statutory basis of accounting, the investment is reported at the net asset value provided by CSAFE at year-end.

Information regarding CSAFE, including its investment policies and audited financial statements, is available from the Colorado Surplus Asset Fund Trust.

Investment income, including interest income and changes in fair value, if applicable, is recognized as nonoperating revenue in the period earned. Investment income is assigned to the Trust unless otherwise required by law, bond covenant, grant agreement, or action of the governing body.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Net Position

The Trust's net position is reported as unrestricted as of June 30, 2026.

Net position is reported as restricted when constraints placed on net position used are either externally imposed by creditors, grantors, contributors, or imposed by laws through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for uses, it is the Trust's policy to use restricted resources first, then unrestricted resources as needed.

Operating Revenues

Grant Income

Grant income is recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Grants received that have not met all eligibility requirements are reported as deferred grant income liability. The grant income received by the Trust during the year ended June 30, 2026 was funding provided by the state of Colorado under House Bill 24-1219. All eligibility requirements were considered met at the time of the funding.

Member Contributions

Each member shall pay to the Trust at such times and in the amounts determined by the Trust Committee as are necessary to ensure finding of the Trust is sufficient. No such contributions were necessary for the year ended June 30, 2026.

Estimates

The preparation of financial statements in conformity with the statutory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 and investments as of June 30, 2026 were comprised as follows:

Deposits with financial institutions	$ 56,770
Investment securities	303,783
	$ 360,553

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Trust's deposits may not be returned to it. As of June 30, 2026, none of the Trust's bank balances of $56,770 were exposed to custodial credit risk.

Investment Policies

The Trust's investments are subject to the following risks:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trust does not have an investment policy that addresses this risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Trust does not have an investment policy that addresses this risk. CSAFE Colorado Core is rated AAAf. CSAFE Colorado Core does not have any limitations or restrictions on withdrawals.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Trust's investment in a single issuer. The Trust committee is responsible for the proper diversification of the Trust Fund, for the prudence of any investments of Trust assets consistent with the Colorado Uniform Prudent Investor Act for compliance with statutory limitations on the amount of investment in securities and for assuring that investments meet the requirement of State law. At June 30, 2026, 100% of the Trust's investments are in CSAFE Colorado Core.

Custodial credit risk - investments is the risk that, in the event of the failure of the counterparty to a transaction, the Trust will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Trust does not have an investment policy that addresses this risk.

NOTE 3 – COMMITMENTS AND CONTINGENCIES:

The Trust began coverage under the program effective March 1, 2026 and will operate until there is a determination of insufficient or unavailable state funding. Funds are allocated on a per agency basis by the number of officers on file with the Colorado Attorney General's Office as of the most recent reporting period. Unused funds rollforward to the next coverage period. In order to be eligible, the participating agency must complete the grant request and certain conditions must be met, as defined in the Trust agreement. Any benefit grant request for reimbursement of co-payments, deductibles, or uncovered cardiac testing services under the program shall be offset by any benefit or coverage from other sources, as defined.

Applications must be submitted within 90 days of the cardiac testing service to be considered. Reimbursements under the program are limited to available program resources. The Trust has no obligation to make reimbursements in excess of available program resources, and participating agencies are not entitled to reimbursement unless all eligibility requirements have been met and the request has been approved under the program.

As of June 30, 2026, there were no reimbursed claims that met the eligibility requirements. Management has not recorded a liability for claims as of June 30, 2026 because no reimbursements requests had met the conditions necessary for recognition as a liability under the statutory basis of accounting. Management is not aware of any pending claims or contingencies that would require accrual or additional disclosure as of June 30, 2026.

NOTE 4 – ADMINISTRATION:

The Trust has an agreement with McGriff, a Marsh & McClennan Agency LLC Company to operate, administer, and manage the Trust. Under this agreement, the management fee is 15% of the expiring year’s gross written contribution.

NOTE 5 – NET POSITION:

The year ending June 30, 2026 is the first year for which financial statements are presented for the Trust. Beginning net position at July 1, 2025 was adjusted to reflect prior-year transactions that were received or paid during fiscal year ending June 30, 2026. These transactions consisted of $200,000 of grant funding received during fiscal year ending June 30, 2026 that related to fiscal year 2025 activity offset by $42,680 of expenses paid during fiscal year ending June 30, 2026 that related to fiscal year 2025 activity. As a result, beginning net position was adjusted to $157,320.

NOTE 6 – INCOME TAXES:

The Trust provides an essential government 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.

NOTE 7 – SUBSEQUENT EVENTS:

Subsequent events were evaluated for recognition and disclosure in the financial statements through August 19, 2026, which is the date the financial statements were available to be issued.