Report of Independent Auditors
and Financial Statements with
Required Supplementary Information

Security Fire Protection District

December 31, 2025

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Report of Independent Auditors

The Board of Directors
Security Fire Protection District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Security Fire Protection District (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District'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 respective financial position of the governmental activities and each major fund of the Security Fire Protection District as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Financial Statements section of our report. We are required to be independent of the District 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 opinions.

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 District'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues, expenditures, and changes in fund balance – budget and actual: general fund; schedule of revenues, expenditures, and changes in fund balance – budget and actual: wildland fund; schedule of district's proportionate share of the net pension liability (asset) – statewide retirement plan; schedule of the district contributions – statewide retirement plan; schedule of changes in the district's net pension liability (asset) and related ratios – volunteer firemen pension plan; schedule of district contributions – volunteer firemen pension plan; and schedule of return on pension investments (collectively, the required supplementary 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 auditing standards generally accepted in the United States of America, 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 audit 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Baker Tilly US, LLP

Albuquerque, New Mexico
September 25, 2026

Financial Statements

Security Fire Protection District
Statement of Net Position
December 31, 2025

ASSETS	
Cash and cash equivalents	$ 11,000,462
Property tax receivable	8,668,688
Accounts receivable	1,000,100
Prepaid items	321,039
Due from pension fund	26,998
Capital assets, not being depreciated	423,847
Capital assets, net of depreciation	10,271,266
Net pension asset - Volunteer Firemen	625,647
Total assets	32,338,047
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension outflows - Volunteer Firemen	175,479
Deferred pension outflows - Statewide Retirement Plan	1,929,530
Total deferred outflows of resources	2,105,009
LIABILITIES	
Current liabilities	
Accounts payable	132,956
Accrued interest payable	66,239
Accrued salaries and benefits	228,150
Current portion of compensated absences	129,867
Current portion of lease liability	108,000
Total current liabilities	665,212
Long-term liabilities	
Compensated absences, net of current portion	55,657
Lease liability, net of current portion	2,517,000
Total long-term liabilities	2,572,657
Total liabilities	3,237,869
DEFERRED INFLOWS OF RESOURCES	
Deferred pension inflows - Volunteer Firemen	367,647
Deferred pension inflows - Statewide Retirement Plan	371,855
Unavailable property tax revenue	8,462,177
Total deferred inflows of resources	9,201,679
NET POSITION	
Net investment in capital assets	8,070,113
Restricted	360,000
Unrestricted	13,573,395
Total net position	$ 22,003,508

See accompanying notes.

Security Fire Protection District
Statement of Activities
Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES				
General and administrative	$ 7,322,274	$ -	$ -	$ (7,322,274)
Fire and emergency medical services	1,473,485	3,660,886	-	2,187,401
Wildland deployments	1,619,624	1,564,690	-	(54,934)
Interest and other fiscal charges	104,498	-	-	(104,498)
Total governmental activities	$ 10,519,881	$ 5,225,576	$ -	(5,294,305)
General revenues				
General property tax				7,334,750
Specific ownership tax				704,601
Other income				47,155
Investment earnings				472,221
Total general revenues				8,558,727
Change in net position				3,264,422
Net position - beginning				18,739,086
Net position - ending				$ 22,003,508

See accompanying notes.

Security Fire Protection District
Balance Sheet
December 31, 2025

	General	Wildland Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 7,914,488	$ 3,085,974	$ 11,000,462
Property taxes receivable	8,668,688	-	8,668,688
Accounts receivable	505,461	494,639	1,000,100
Due from wildland funds	818,249	-	818,249
Due from pension fund	26,998	-	26,998
Prepaid expenses	321,039	-	321,039
Total assets	$ 18,254,923	$ 3,580,613	$ 21,835,536
LIABILITIES			
Accounts payable and other accrued liabilities	$ 132,956	$ -	$ 132,956
Accrued salaries and benefits	228,150	-	228,150
Due to General Fund	-	818,249	818,249
Total liabilities	361,106	818,249	1,179,355
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	8,462,177	-	8,462,177
FUND BALANCE			
Nonspendable	321,039	-	321,039
Restricted	360,000	-	360,000
Unassigned	8,750,601	2,762,364	11,512,965
Total fund balance	9,431,640	2,762,364	12,194,004
Total liabilities, deferred inflows of resources, and fund balance	$ 18,254,923	$ 3,580,613	$ 21,835,536

See accompanying notes.

Security Fire Protection District
Reconciliation of the Balance Sheet to the Statement of Net Position
December 31, 2025

Amounts reported for governmental activities in the statement of net position are different because		
Total fund balance - governmental funds		$ 12,194,004
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Capital assets, not being depreciated	$ 423,847	
Capital assets, net of depreciation	10,271,266	10,695,113
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds		
Net pension asset - Volunteer Firemen	625,647	
Pension outflows - Statewide Retirement Plan	1,929,530	
Pension inflows - Statewide Retirement Plan	(371,855)	
Pension outflows - Volunteer Firemen	175,479	
Pension inflows - Volunteer Firemen	(367,647)	
Compensated absences	(185,524)	
Accrued interest payable	(66,239)	
Lease liability	(2,625,000)	(885,609)
Net position of governmental activities in the statement of net position		$ 22,003,508

See accompanying notes.

Security Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended December 31, 2025

	General	Wildland Fund	Total Governmental Funds
REVENUES			
General property tax	$ 7,334,750	$ -	$ 7,334,750
Specific ownership tax	704,601	-	704,601
Safety service income	3,065,882	-	3,065,882
Colorado emergency service fee supplemental	546,284	-	546,284
Wildland income	-	1,564,690	1,564,690
Inspection fees	48,720	-	48,720
Other income	47,155	-	47,155
Investment earnings	401,359	70,862	472,221
Total revenues	12,148,751	1,635,552	13,784,303
EXPENDITURES			
General and administrative	7,228,828	-	7,228,828
Fire and emergency medical services	1,323,592	-	1,323,592
Wildland deployments	-	968,567	968,567
Capital outlays	2,537,365	-	2,537,365
Debt service	208,569	-	208,569
Total expenditures	11,298,354	968,567	12,266,921
Excess of revenues over expenditures	850,397	666,985	1,517,382
OTHER FINANCING			
Gain on sale of equipment	22,044	-	22,044
NET CHANGE IN FUND BALANCE	872,441	666,985	1,539,426
FUND BALANCE - beginning	8,559,199	2,095,379	10,654,578
FUND BALANCE - ending	$ 9,431,640	$ 2,762,364	$ 12,194,004

See accompanying notes.

Security Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Year Ended December 31, 2025

Amounts reported for governmental activities in the statement of activities are different because		
Net change in fund balances - total governmental funds		$ 1,539,426
Governmental funds report capital outlays and expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 2,537,365	
Depreciation	(774,645)	1,762,720
Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year.		(34,580)
The repayment of long-term debt principal (lease liability) consumes the current financial resources of governmental funds.		104,071
Loss on disposal of capital assets not recorded as a financial resource		(67,146)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Pension amounts - Statewide Retirement Plan	(190,021)	
Pension amounts - Volunteer Firemen	149,952	(40,069)
Change in net position of governmental activities		$ 3,264,422

See accompanying notes.

Security Fire Protection District
Statement of Fiduciary Net Position – Pension Fund
December 31, 2025

ASSETS		
Cash and cash equivalents	$	65,918
Investments, at fair value		1,841,345
Total assets		1,907,263
LIABILITIES		
Due to general fund		26,998
NET POSITION		
Restricted for pensions	$	1,880,265

See accompanying notes.

Security Fire Protection District
Statement of Changes in Fiduciary Net Position – Pension Fund
Year Ended December 31, 2025

ADDITIONS		
Contributions		
Employer	$	27,000
State funds		48,600
Investment income		
Interest and dividends		77,844
Net appreciation in fair value of investments		115,091
CHANGE IN NET POSITION		268,535
NET POSITION RESTRICTED FOR PENSIONS		
Net position, beginning		1,611,730
Net position, ending	$	1,880,265

See accompanying notes.

Note 1 – Summary of Significant Accounting Policies

The Security Fire Protection District (the District) was organized under the laws of the State of Colorado to operate and maintain a special district for the purpose of providing fire and emergency paramedical services to its residents.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. The more significant accounting policies established in GAAP and used by the District are discussed below.

Reporting entity – The District is a special district governed by an elected five-member board. The accompanying financial statements present the government and its component units, entities for which the District is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

Blended component unit – The Security Fire Wildland Team (Wildland) is a separate legal entity that was formed as a Colorado Not-For-Profit. Wildland serves communities other than the citizens of the District and is governed by a board composed of the District's board of directors. Wildland uses its own resources (personnel, vehicles, and equipment) when providing wildland services. Wildland is reported as a special revenue fund and does not issue separate financial statements.

Basis of presentation – government-wide financial statements – While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the non-fiduciary activities of the District. Governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of presentation – fund financial statements – The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental funds:

The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Wildland Fund* is a special revenue fund used to account for revenue sources that are restricted for expenditure for specific purposes.

Additionally, the government reports the following fund types:

The Pension Fund accumulates resources for pension benefit payments to qualified employees.

The government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement focus and basis of accounting – The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and the amount is received during the period or within the availability period of this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Asset, liabilities, and net position/fund balance

Cash and cash equivalents – Cash and cash equivalents include cash and short-term investments with original maturities of three months or less from the date of acquisition.

Investments – Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are valued at the pool's share price, the price at which the investment could be sold.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Taxes receivable are considered fully collectible due to the ability of the District to lien property. Accounts receivables comprise of EMS services due at year-end with any accounts past due by 120 days deemed uncollectible. As of December 31, 2025, $532,856 is uncollectible.

Prepaid expenses – Payments made for expenses that will benefit periods beyond December 31, 2025, are recorded as prepaid expenses.

Interfund receivables and payables – As of December 31, 2025, the Wildland Fund owed $818,249 to the General Fund, and the Pension Fund owed $26,998 to the General Fund.

Capital assets – Capital assets, which include land, fire stations, vehicles, equipment and wildland vehicles and equipment, are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciable capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Fire stations	40 years
Vehicles	5 to 15 years
Equipment	5 to 15 years
Wildland vehicles and equipment	5 to 15 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses, and changes in fund net position.

Pensions – The District participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net position flow assumption – The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted –net position is applied.

Fund balance classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Revenues and expenditures/expenses

Program revenues – Amounts reported as program revenues include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as general revenues.

Property taxes – Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and payable in two installments due February 28 and June 15, or in one installment due April 30. El Paso County Treasurer bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The mill levy for general operating expenses for the year ended December 31, 2025, was 16.4 mills. The District's assessed valuation for 2025 was $8,462,177.

Compensated absences – The District's personnel policy states that employees may earn a total of six to nine shifts or two to four weeks of paid vacation per year depending on the length of employment and employment classification. A maximum of 144 hours of vacation may be carried forward.

Each full-time shift employee will be given 96 hours of paid sick leave, and each part-time shift employee will be given 48 hours of paid sick leave at the commencement of each calendar year (January 1). Up to 48 hours of unused sick time that any shift employee does not use in a year carries forward to a subsequent year; however, the District is not required to permit any shift employee to use more than 96 hours of paid sick leave in any calendar year.

The District has accrued a liability for vacation and sick pay that has been earned but not used by the District employees.

Compensated absences payable are recognized when all of the following criteria are met: (1) employees have performed the services necessary to earn the leave, (2) the leave is carried forward to future reporting periods, and (3) it is more likely than not (greater than 50% probability) that the leave will be used or paid.

The compensated absences liability includes both annual and sick leave only. The liability is measured based on the pay rates and aggregate annual leave balances of December 31, 2025. Key assumptions include that 100% of accrued annual leave and sick leave will be used or paid out, plus an additional 1.45% to cover salary-related fringe benefits.

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Stewardship, Compliance, and Accountability

Budget information – The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the fall, a proposed operation budget is submitted to the Board for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted by the District to obtain taxpayer comments.

3. Prior to December 31, the budget is legally enacted through passage of a resolution. This authorizes a lump-sum expenditure budget by fund for the District. This aggregate expenditure budget, by fund, then becomes the level of control upon which expenditures cannot legally exceed appropriations. An appropriation ordinance is also adopted which allocates the total budget by fund.

4. Any revisions that alter the budget of any fund must be approved by the Board by passage of a resolution.

5. Formal budgetary integration is employed as a management control device during the year for the general and pension funds.

6. Budgets for the general and pension funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board.

7. All annual appropriations lapse at the end of the year.

Note 3 – Deposits and Investments

Cash deposits with fiscal institutions – custodial credit risk-deposits – Colorado state statutes govern the entity's deposit of cash. The Public Deposit Protection Acts for banks and savings and loans requires the state regulators to certify eligible depositories for public deposits. The acts require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the assets in the pool must be at least equal to 102% of uninsured deposits.

At December 31, 2025, the carrying amounts of the District's deposits were $11,066,380, and the bank balances were $11,170,719. Of the total bank balances, $500,000 was covered by FDIC insurance, and the remaining balance of $10,670,719 falls under the provisions of the Colorado Public Deposit Protection Acts, which are collateralized in single institution pools.

Investments – At December 31, 2025, the District's investment balances were as follows:

	Fair Value
Investments, at fair value	
Pension Fund	
Mutual funds	$ 1,453,423
Exchange-traded funds	387,922
Total investments, at fair value	$ 1,841,345

The mutual funds and exchange-traded funds of $1,841,345 are in the Pension Fund of the Security Fire Protection District. These funds are administered by the trustee for the Pension Fund and are classified as level 1 within the fair value hierarchy of GASB Statement No. 72, *Fair Value Measurement and Application*.

Interest rate risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit risk – Under State law, the District has significant discretionary power to invest Pension Fund assets that are not immediately required for the payment of benefits and in certain conditions, Pension Fund assets may also be invested in insurance annuities.

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated				
Land	$ 423,847	$ -	$ -	$ 423,847
Capital assets, being depreciated				
Fire stations	4,308,222	155,934	-	4,464,156
Vehicles	4,518,769	2,259,318	(326,285)	6,451,802
Equipment	3,946,083	122,113	(51,422)	4,016,774
Wildland vehicles and equipment	1,243,376	-	-	1,243,376
Total capital assets, being depreciated	14,016,450	2,537,365	(377,707)	16,176,108
Less accumulated depreciation	(5,440,758)	(774,645)	310,561	(5,904,842)
Net capital assets, being depreciated	8,575,692	1,762,720	(67,146)	10,271,266
	$ 8,999,539	$ 1,762,720	$ (67,146)	$ 10,695,113

Depreciation expense was charged to functions/programs as follows:

General and administrative	$ 18,797
Wildland	104,791
Fire and emergency medical services	651,057
	$ 774,645

Note 5 – Lease Liability

On May 13, 2022, the District entered a lease purchase agreement in the amount of $2,916,521 to finance the purchase of Station 4. Annual payments range from $202,286 to $216,900 and are due through May 13, 2042, with interest at 3.85%. The lease agreement is collateralized by the fire station.

Debt service requirements to maturity are as follows:

	Principal	Interest
2026	$ 108,000	$ 101,063
2027	115,000	96,905
2028	119,000	92,477
2029	125,000	87,896
2030–2034	710,714	362,890
2035–2039	866,572	214,462
2040–2042	580,714	45,078
	$ 2,625,000	$ 1,000,771

Lease liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Lease liability	$ 2,728,521	$ -	$ (103,521)	$ 2,625,000	$ 108,000

Note 6 – Pension Plan – Statewide Retirement Plan

Plan description – Eligible employees of the District are provided with pensions through the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. The District's eligible employees participate in the Defined Benefit Component of SRP.

The SRP assets are included in the Fire & Police Members' Benefit Investment Fund. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund. SRP benefits are specified in Title 31, Article 30 of the Colorado Revised Statutes (C.R.S.). The SRP is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at http://www.FPPAco.org.

Benefits provided – The SWDB provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan which is also administered by FPPA.

A member is eligible for a normal retirement pension once the member has completed 25 years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2% of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter. The benefit earned prior to January 1, 2007, for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under the Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0% to the higher of 3% or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5% as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2% of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Contributions – Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members. The District's eligible employees contribute 12.0% of their base salary. In 2025 and 2024, the District contributes 10% and 9.5%, respectively, of pensionable earnings. Employer contributions will increase 0.5% annually through 2030 to a total of 13.0% of pensionable earnings.

The contribution rate for members and employers of affiliated social security employers is 6.0% and 5.25%, respectively, of pensionable earnings for a total contribution rate of 11.25% in 2025. Employer contributions equated to 11.00% of pensionable earnings in 2024. Employer contributions will increase 0.25% annually through 2030 to a total of 6.5% of pensionable earnings.

Employer contributions are recognized by the SRP in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SRP. Employer contributions recognized by the SRP from the District were $387,681 for the year ended December 31, 2025.

Actuarial assumptions – The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability for the year ended December 31, 2025. The measurement of the total pension liability used the following actuarial assumption and other inputs:

Actuarial valuation date	January 1, 2025
Actuarial method	Entry age normal
Long-term investment rate of return, net of inflation at 2.5%	7.0%
Projected salary increases	4.25% – 11.25%

For determining the total pension liability, the post-retirement mortality tables for nondisabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. During July 2022, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions made by the FPPA's actuaries based on their experience study. The assumption changes were effective for actuarial valuations beginning January 1, 2024.

Long-term rate of return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global equity	33%	7.00%
Equity long/short	6%	6.20%
Private markets	34%	8.85%
Fixed income – rates	7%	5.00%
Fixed income – credit	7%	6.50%
Absolute return	9%	5.70%
Cash	4%	4.20%
	100.0%	

Discount rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers is based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SRP's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

Sensitivity of the Security Fire Protection District proportionate share of the net pension liability/(asset) to changes in the discount rate – The following presents the proportionate share of the net pension liability/(asset), calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
$ 1,735,043	$ -	$ (2,371,202)

Pension plan fiduciary net position – Detailed information about the SRP's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org.

Pension amounts – At December 31, 2025, the Security Fire Protection District reported $0 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the collective total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2025. The Security Fire Protection District proportion of the net pension liability (asset) was based on Security Fire Protection District contributions to the SRP for the calendar year 2023 relative to the total contributions of participating employers to the SRP.

At December 31, 2025, the Security Fire Protection District's proportion was 0.3555%, which was an increase of .0350% from its proportion measured as of December 31, 2024.

For the year ended December 31, 2025, the Security Fire Protection District recognized pension expense of $636,535. At December 31, 2025, the Security Fire Protection District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 854,378	$ 26,724
Changes in assumptions	305,774	-
Net difference between projected and actual earnings	121,372	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	201,492	345,131
Contributions subsequent to the measurement date	446,514	-
	$ 1,929,530	$ 371,855

Employer contributions made subsequent to the measurement date of December 31, 2025, totaled $267,463 and are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,	
2026	$ 332,743
2027	486,436
2028	1,806
2029	18,638
2030	85,913
Thereafter	185,625
	$ 1,111,161

Note 7 – Pension Plan – Volunteer Firemen

Plan description – The retirement plan for the volunteers of the Security Fire Protection District is a single-employer noncontribution defined benefit plan administered by a seven-member Board of Trustees, which includes District officials and volunteer firemen. This plan provides retirement and disability benefits to plan members and beneficiaries. The District has acquired life insurance for active volunteers that will be paid to their survivors as a monthly benefit upon the death of the volunteers. As of January 1, 2025, there were 6 active members and 9 inactive members. The volunteer must be 50 or older and have 10 or more years of service to receive benefits.

Benefits provided – The Board of Trustees has adopted the following schedule of monthly benefits, which was in effect at December 31, 2025:

Retirement – $35.00 per month for each year of service not to exceed $1,050.

Supplemental retirement – additional retirement benefits may be paid provided the actuarial review indicates a supplemental monthly pension is actuarially sound.

Form of benefit – Single life annuity.

Temporary disability – $225 per month for up to one year.

Permanent disability – Monthly benefit $450 (or service-related benefit, if larger) is payable the number of years that the disabled member was an active member of the pension fund.

Death before retirement – 100% of the member's accrued monthly benefit is payable to surviving spouse or named beneficiary.

Increases in retirement benefits are provided to members and beneficiaries at the discretion of the Board. Colorado Revised Statutes 31-30-1101 assigns the authority to establish benefit provisions to the State Legislature. The plan does not issue a separate financial report. The plan is included in the financial statements of the Security Fire Protection District. That report may be obtained from the District at P.O. Box 5096, Security, Colorado 80911.

Contributions – The funding policy provides for periodic employer contributions, based on actuarially determined amounts that are adequate to accumulate sufficient assets to pay pension benefits when due, subject to an increase limitation. Actuarial analysis is performed every two years.

The pension fund for the Volunteer Firefighter Pension Plan uses the accrual basis of accounting. Plan contributions are recognized when they are received. Benefits and expenses are recognized when they are incurred in accordance with the terms of the plan.

Actuarial assumptions – The required contributions for the plan were determined as part of the January 1, 2024 actuarial valuations. The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of benefits does not explicitly incorporate the potential effects of legal or contractual funding limitations. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Amounts determined for the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The following are the actuarial assumptions used in the valuation:

Actuarial valuation date	January 1, 2024
Actuarial method	Entry age normal
Long-term investment rate of return, net of investment at 2.5%	6.00%
Mortality Table	1994 Group Annuity Mortality Table, modified for the small group of lives covered by the plan by eliminating mortality before age 65

Discount rate – Projected benefit payments are required to be discounted to their actuarial present values using a discount rate that reflects (1) a long-term expected rate of return on Volunteer Firefighter Pension Plan investments (to the extent that the fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For purposes of this valuation, the expected rate of return on Volunteer Firefighter Pension Plan investments is 6.00%; the long-term investment rate of return.

The schedule of changes in the net pension asset for the year ended December 31, 2025 is as follows:

	Total Pension Liability	Volunteer Fiduciary Net Position	Net Pension Liability
Beginning balance	$ 927,553	$ 1,449,845	$ (522,292)
Changes for the year			
Service cost	$ 18,311	$ -	$ 18,311
Interest on the total pension liability	40,219	-	40,219
Difference between expected and actual experience	-	-	-
Contributions	-	27,000	(27,000)
Net investment income	-	148,029	(148,029)
Benefit payments	-	-	-
Other	-	(13,144)	13,144
Ending balance	$ 986,083	$ 1,611,730	$ (625,647)

Sensitivity of the net pension asset to changes in the discount rate – The following presents the proportionate share of the net pension asset, calculated using the discount rate of 6.00%, as well as what the proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate on the December 31, 2024, measurement date:

1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
$ (604,243)	$ (625,647)	$ (645,871)

Pension amounts – For the year ended December 31, 2025, the District recognized pension income of $149,952. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the Volunteer Firemen Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 175,479	$ 334,360
Net difference between projected and actual investment earnings	-	33,287
Total	$ 175,479	$ 367,647

Amounts reported as deferred outflows and inflows of resources related to the Volunteer Firemen Pension Plan will be recognized as pension income as follows:

Year ended December 31,	
2026	$ (54,384)
2027	(12,051)
2028	(69,173)
2029	(30,302)
2030	(18,256)
Thereafter	(8,002)
	$ (192,168)

Note 8 – Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks did not exceed commercial insurance coverage during the last three fiscal years.

Note 9 – Amendment to Colorado Constitution

Colorado voters have passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On May 2, 2006, the District's voters approved the ballot for the Security Fire Protection District to collect and spend, as a voter approved revenue change and property tax revenue change under Article X, Section 20, of the Colorado Constitution, any and all revenues raised annually in 2006 and each year thereafter from the District's mill levy at the rate of 6.675 mills and from any and all other sources; with such authority to collect and spend all such amounts to constitute an exception to all limits which may otherwise apply, without limiting or affecting the collection or expenditures of other revenues; and shall the District be authorized to collect and spend from the District's mill levy and all other sources annually all amounts that may exceed the provisions of 5.5% limit of Section 29-1-301 of the Colorado Revised Statutes; such revenues to be used for public safety, fire protection, emergency medical services, fire code enforcement, and any other lawful purpose of a fire protection District.

On November 6, 2012, the District's voters approved the ballot to increase Security Fire Protection District taxes by $549,345 annually in the first fiscal year (2013) and by whatever amounts as are received each year thereafter by the imposition of this mill levy increase of 3.325 mills upon taxable property within the District, commencing with the tax collection year 2013 and continuing thereafter, with such revenues, together with any and all other revenues to be collected, retained and spent by the District for the purposes of defraying salaries, other operating expenses of the District, and/or other lawful purposes, as a voter approved revenue changed and an exception of the spending, revenue raising, and other limits which would otherwise apply under Article X, Section 20, of the Colorado Constitution, C.R.S., 29-1-301(1), or any other laws.

On November 2, 2021, the District's voters approved the ballot to increase Security Fire Protection District taxes by $2,415,367 annually (for collection in calendar year 2022), and by additional amounts raised annually thereafter by an ad valorem property tax mill levy imposed at a rate of six and four-tenths (6.4) mills, to be used by the District for the purpose of providing proper fire protection. Emergency response and safety for the residents, property owners, and businesses served by the District, including but not limited to: Adding firefighters and paramedics to improve response time and maintain emergency services district wide; Recruiting and retaining firefighters and paramedics; and replacing emergency equipment apparatus that have reached the end of their service life to maintain reliability and to protect first responders, and addressing unmet facility needs, which mill levy shall be in addition to the operating mill levy currently imposed by the District; and shall the revenue from the mill levy authorized above constitute a voter-approved revenue change and an exception to the limitations set forth in section 29-1-301 of the Colorado Revised Statutes.

The entity levied 18.100 mills for property taxes collected in 2024 to be used for general operating expenses.

The Amendment requires the emergency reserves be established. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Emergency reserves, as of December 31, 2025, totaling $360,000 have been presented as a reservation of fund balance in the General Fund. The entity is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations in the amendment's language in order to determine its compliance.

Required Supplementary Information

Security Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
REVENUES				
General property tax	$ 7,351,045	$ 7,335,000	$ 7,334,750	$ (250)
Specific ownership tax	500,000	705,000	704,601	(399)
Safety service income	1,500,000	2,915,000	3,065,882	150,882
Colorado emergency service fee supplemental	-	547,000	546,284	(716)
Inspection fees	10,000	49,000	48,720	(280)
Other income	842,647	47,000	47,155	155
Investment earnings	250,000	400,000	401,359	1,359
Total revenues	10,453,692	11,998,000	12,148,751	150,751
EXPENDITURES				
General and administrative	7,452,908	7,452,908	7,228,828	224,080
Fire and emergency medical services	1,493,376	1,493,376	1,323,592	169,784
Capital outlays	1,272,690	2,540,000	2,537,365	2,635
Debt service	200,000	200,000	208,569	(8,569)
Total expenditures	10,418,974	11,686,284	11,298,354	387,930
Excess of revenues over expenditures	34,718	311,716	850,397	538,681
OTHER FINANCING SOURCES				
Transfers in	-	-	22,044	22,044
NET CHANGE IN FUND BALANCE	34,718	311,716	872,441	560,725
FUND BALANCE - beginning	8,559,199	8,559,199	8,559,199	-
FUND BALANCE - ending	$ 8,593,917	$ 8,870,915	$ 9,431,640	$ 560,725

Security Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Wildland Fund
Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
REVENUES				
Wildland income	$ -	$ 1,486,300	$ 1,564,690	$ 78,390
Investment earnings	-	71,000	70,862	(138)
Total revenues	-	1,557,300	1,635,552	78,252
EXPENDITURES				
Wildland deployments	-	890,200	968,567	(78,367)
NET CHANGE IN FUND BALANCE	-	667,100	666,985	(115)
FUND BALANCE - beginning	-	2,095,379	2,095,379	-
FUND BALANCE - ending	$ -	$ 2,762,479	$ 2,762,364	$ (115)

Security Fire Protection District
Schedule of District's Proportionate Share of Net Pension Liability (Asset) – Statewide Retirement Plan
December 31, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.3555%	0.3906%	0.3418%	0.2573%	0.2556%	0.2424%	0.2479%	0.2502%	0.3126%	0.3312%
District's proportionate share of the net pension liability (asset)	$ -	$ -	$ 303,385	$ (1,394,274)	$ (554,922)	$ (137,098)	$ 313,357	$ (359,908)	$ 112,937	$ (5,838)
District's covered payroll	$ 4,071,376	$ 4,072,714	$ 2,973,711	$ 2,071,141	$ 2,053,050	$ 1,786,638	$ 1,660,275	$ 1,463,313	$ 1,599,588	$ 1,605,400
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	10.20%	-67.32%	-27.03%	-7.67%	18.87%	-24.60%	7.06%	-0.36%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.00%	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.20%	100.10%

Security Fire Protection District
Schedule of District's Contributions – Statewide Retirement Plan
Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 446,514	$ 432,527	$ 418,032	$ 267,634	$ 176,047	$ 164,244	$ 142,931	$ 132,822	$ 117,065	$ 127,967
Contributions in relation to the required contribution	(446,514)	(432,527)	(418,032)	(267,634)	(176,047)	(164,244)	(142,931)	(132,822)	(117,065)	(127,967)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,465,140	$ 4,325,270	$ 4,400,337	$ 2,973,711	$ 2,071,141	$ 2,053,050	$ 1,786,638	$ 1,660,275	$ 1,463,313	$ 1,599,588
Contributions as a percentage of covered payroll	10.00%	10.00%	9.50%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%

Security Fire Protection District
Schedule of Changes in District's Net Pension Liability (Asset) and Related Ratios – Volunteer Firemen Pension Plan
December 31, 2025

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 18,311	$ 20,662	$ 20,662	$ 20,345	$ 16,213	$ 33,473	$ 33,473	$ 81,229	$ 81,229	$ 171,527
Interest	40,219	60,589	83,546	120,515	132,900	54,770	59,977	73,874	65,095	-
Changes of benefit terms	-	-	-	-	1,142,292	-	-	-	-	-
Differences between expected and actual experience	-	112,833	-	(314,285)	(147,756)	170,419	(98,705)	(338,972)	-	-
Benefit payments	-	(511,380)	(462,270)	(423,811)	-	(163,047)	-	-	-	(51,485)
Net change in total pension liability	58,530	(317,296)	(358,062)	(597,236)	1,143,649	95,615	(5,255)	(183,869)	146,324	120,042
Total pension liability-beginning	927,553	1,244,849	1,602,911	2,200,147	1,056,498	960,883	966,138	1,150,007	1,003,683	883,641
Total pension liability-ending (a)	$ 986,083	$ 927,553	$ 1,244,849	$ 1,602,911	$ 2,200,147	$ 1,056,498	$ 960,883	$ 966,138	$ 1,150,007	$ 1,003,683
Plan fiduciary net position										
Contributions-employer	$ -	$ -	$ -	$ -	$ -	$ 27,000	$ 27,000	$ 27,000	$ 27,225	$ 24,750
Contributions-State matching	27,000	-	-	-	-	24,300	24,300	24,300	22,275	-
Net investment income	148,029	280,047	(212,778)	167,542	395,392	376,917	(68,695)	385,652	16,344	(7,274)
Benefit payments	-	(511,380)	(462,270)	(423,811)	-	(163,117)	-	-	-	(51,485)
Other	(13,144)	(2,691)	-	-	-	-	-	-	-	(65,242)
Net change in plan fiduciary net position	161,885	(234,024)	(675,048)	(256,269)	395,392	265,100	(17,395)	436,952	65,844	(99,251)
Plan fiduciary net position – beginning	1,449,845	1,683,869	2,358,917	2,615,186	2,219,794	1,954,694	1,972,089	1,535,137	1,469,293	1,568,544
Plan fiduciary net position – ending (b)	$ 1,611,730	$ 1,449,845	$ 1,683,869	$ 2,358,917	$ 2,615,186	$ 2,219,794	$ 1,954,694	$ 1,972,089	$ 1,535,137	$ 1,469,293
Net pension liability (asset) – ending (a)-(b)	$ (625,647)	$ (522,292)	$ (439,020)	$ (756,006)	$ (415,039)	$ (1,163,296)	$ (993,811)	$ (1,005,951)	$ (385,130)	$ (465,610)
Plan fiduciary net position as a percentage of the total pension liability	163.45%	156.31%	147.00%	147.16%	118.86%	210.11%	203.43%	204.12%	133.49%	146.39%

Security Fire Protection District
Schedule of District Contributions – Volunteer Firemen Pension Plan
Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual contribution	27,000	27,000	-	-	-	-	51,300	51,300	51,300	49,500
Contribution (excess)	$ (27,000)	$ (27,000)	$ -	$ -	$ -	$ -	$ (51,300)	$ (51,300)	$ (51,300)	$ (49,500)
District's covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Security Fire Protection District
Schedule of Return on Pension Investments
December 31, 2025

The annual money-weighted rate of returns for the volunteer pension plan investments are as follows:

December 31,	Annual Money-Weighted Rate of Return
2025	10.12%
2024	6.00%
2023	19.61%
2022	-10.00%
2021	6.97%
2020	17.81%
2019	19.85%
2018	-3.44%
2017	24.71%
2016	1.09%

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