

# **Burbank-Paradise Fire Protection District**

Audit Report

For the Years Ended  
June 30, 2020 and June 30, 2019

**Burbank-Paradise Fire Protection District**

Audit Report  
June 30, 2020 and June 30, 2019

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### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Burbank-Paradise Fire Protection District  
Stanislaus, California

We have audited the accompanying financial statements of the Burbank-Paradise Fire Protection District (District) as of and for the years ended June 30, 2020 and June 30, 2019, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Governmental Fund	Unmodified

### Basis for Qualified Opinion on Government-Wide Financial Statements

Because of the inadequacy of accounting records pertaining to fixed assets and accumulated depreciation, we were unable to form an opinion regarding the amounts at which these items are recorded in the accompanying Statements of Net Position as of June 30, 2020 and 2019, or the amount of depreciation expense recorded in the Statement of Activities for the year then ended. Our testing of current year fixed asset transactions was not impaired.

### Unmodified Opinion on Governmental Fund Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Burbank-Paradise Fire protection District as of the years ended June 30, 2020 and June 30, 2019, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis report 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, 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 19 and 20 be presented to supplement the basic financial statements. Such information, 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.



Modesto, California  
March 15, 2021

# BURBANK-PARADISE FIRE PROTECTION DISTRICT

## Statements of Net Position For the Years Ended June 30

ASSETS	2020	2019
Current Assets		
Unrestricted Cash	\$ 310,833	\$ 442,519
Accounts Receivable	<u>21,734</u>	<u>-</u>
Total Current Assets	\$ 332,567	\$ 442,519
Capital Assets	2,316,909	1,914,305
Less Accumulated Depreciation	<u>(658,754)</u>	<u>(598,896)</u>
Net Capital Assets	<u>1,658,155</u>	<u>1,315,409</u>
TOTAL ASSETS	<u>\$ 1,990,722</u>	<u>\$ 1,757,928</u>
Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 23,709	\$ 37,724
Accrued Interest Payable	7,644	8,169
Other Accrued Expenses	-	12,844
Current Portion of Notes Payable	<u>81,116</u>	<u>40,186</u>
Total Current Liabilities	\$ 112,469	\$ 98,923
Long-Term Liabilities		
Notes Payable Long Term	<u>895,593</u>	<u>580,280</u>
Total Long-Term Liabilities	<u>895,593</u>	<u>580,280</u>
TOTAL LIABILITIES	<u>\$ 1,008,062</u>	<u>\$ 679,203</u>
NET POSITION		
Net Investment in Capital Assets	762,562	735,129
Unrestricted	<u>220,098</u>	<u>343,596</u>
TOTAL NET POSITION	<u>\$ 982,660</u>	<u>\$ 1,078,725</u>

The accompanying notes are an integral part of these financial statements.

# BURBANK-PARADISE FIRE PROTECTION DISTRICT

## Statements of Activities For the Years Ended June 30

	<u>2020</u>	<u>2019</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
	<u>Fire Protection</u>	<u>Fire Protection</u>
EXPENSES		
Salaries and Benefits	\$ 126,755	\$ 351,026
Supplies and Services	314,834	283,956
Interest Expense	24,382	20,718
Depreciation	<u>75,333</u>	<u>60,096</u>
TOTAL EXPENSES	541,304	715,796
PROGRAM REVENUE		
Ambulance Reimbursements	1,168	7,796
Strike Team	63,138	319,754
Training Fees	-	2,480
Illegal Burn Citation	-	690
Measure C	<u>71,268</u>	<u>-</u>
TOTAL PROGRAM REVENUE	<u>135,574</u>	<u>330,720</u>
NET PROGRAM REVENUE (EXPENSE)	(405,730)	(385,076)
GENERAL REVENUE		
Property Taxes	255,230	315,358
Grant Income	10,000	-
Interest Income	7,198	8,366
Other Income	3,282	19,199
Gain or (Loss) on Sale of Fixed Asset	<u>33,955</u>	<u>-</u>
TOTAL GENERAL REVENUE	<u>309,665</u>	<u>342,923</u>
CHANGE IN NET POSITION	(96,065)	(42,153)
NET POSITION - BEGINNING OF YEAR	<u>1,078,725</u>	<u>1,120,878</u>
NET POSITION - END OF YEAR	<u>\$ 982,660</u>	<u>\$ 1,078,725</u>

The accompanying notes are an integral part of these financial statements.

# BURBANK-PARADISE FIRE PROTECTION DISTRICT

## Balance Sheets Governmental Funds For the Years Ended June 30

	2020	2019
<b>ASSETS</b>		
Unrestricted Cash	\$ 310,833	\$ 442,519
Accounts Receivable	<u>21,734</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 332,567</b></u>	<u><b>\$ 442,519</b></u>
 <b>LIABILITIES</b>		
Current Liabilities	<u>\$ 23,709</u>	<u>\$ 50,568</u>
 <b>TOTAL LIABILITIES</b>	 <b>\$ 23,709</b>	 <b>\$ 50,568</b>
 <b>FUND BALANCE</b>		
Nonspendable	-	-
Unassigned	<u>308,858</u>	<u>391,951</u>
<b>TOTAL FUND BALANCE</b>	 <u><b>308,858</b></u>	 <u><b>391,951</b></u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <u><b>\$ 332,567</b></u>	 <u><b>\$ 442,519</b></u>

### Reconciliation of the Balance Sheets To The Statements of Net Position

Fund Balance - Total Government Funds	\$ 308,858	\$ 391,951
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and are therefore not reported in the governmental fund	1,658,155	1,315,409
Liabilities not due within the current period are not reported in the governmental funds balance sheet	<u>(984,353)</u>	<u>(628,635)</u>
 Net Position of Governmental Activities	 <u><b>\$ 982,660</b></u>	 <u><b>\$ 1,078,725</b></u>

The accompanying notes are an integral part of these financial statements.

**BURBANK-PARADISE FIRE PROTECTION DISTRICT**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Years Ended June 30**

	2020	2019
<b>REVENUE</b>		
Ambulance Reimbursements	\$ 1,168	\$ 7,796
Strike Team	63,138	319,754
Training Fees	-	2,480
Illegal Burn Citation	-	690
Measure C	71,268	-
Property Taxes	255,230	315,358
Grant Income	10,000	-
Interest Income	7,198	8,366
Other Income	3,282	19,199
Gain or (Loss) on Sale of Fixed Asset	51,455	-
<b>TOTAL REVENUE</b>	<b>\$ 462,739</b>	<b>\$ 673,643</b>
<b>EXPENDITURES</b>		
Salaries and Benefits	126,755	351,026
Supplies and Services	314,834	283,956
Debt Service Payments	64,795	64,458
<b>TOTAL EXPENDITURES</b>	<b>506,384</b>	<b>699,440</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Proceeds from Issuance of Debt	396,132	-
Acquisition of Capital Assets	(435,580)	(39,662)
<b>Net Other Financing Sources (Uses)</b>	<b>(39,448)</b>	<b>(39,662)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(83,093)</b>	<b>(65,459)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>391,951</b>	<b>457,410</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 308,858</b>	<b>\$ 391,951</b>

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Statements of Revenues, Expenditures  
and Changes in Fund Balance To The Statements of Activities**

	<b>2020</b>	<b>2019</b>
Net Change to Fund Balance - Total Governmental Funds	\$ (83,093)	\$ (65,459)
Amounts reported for governmental activities in the statement of activities are different because:		
Debt Acquired for the purchase of Fixed Assets	(396,132)	-
Current year payment of principle is recorded as an expenditure in the governmental funds, while principle payments are recorded in the government-wide statement of activities and change in net position.	39,888	38,561
Change in Accrued Interest	525	5,179
Remaining Cost Basis of Capital Assets Sold	(17,500)	-
Capital assets used in governmental activities are recognized as expenditures in the fund financial statements, while in the Statement of Activities, their cost is expensed over their useful lives		
Depreciation	(75,333)	(60,096)
Capital asset acquisitions	435,580	39,662
Change in Net Position of Governmental Activities	\$ (96,065)	\$ (42,153)

The accompanying notes are an integral part of these financial statements.

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The basic financial statements of the Burbank-Paradise Fire Protection District (“District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting policies are described below:

**A. Reporting Entity**

The District is a California Special District formed to provide protection and emergency medical response to residents and landowners in the Burbank-Paradise area of Stanislaus County. This District operates under authority of the State of California Health and Safety Code, Section 13801.

The District combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District’s reporting entity is based upon the criteria set forth in section 2100 of the (GASB) “Codification of Government Accounting and Financial reporting standards”, the Burbank-Paradise Fire Protection District has no component units.

The District operates under a Board of Directors form of government. The Board of Directors consists of four members elected by the voters within the District boundaries. Day-to-day operations are overseen by the Department Chief or Captain, who is appointed by the Board.

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, sign contracts, levy taxes, and otherwise influence operations, and account for fiscal matters, is exercised by the District’s governing board. Accordingly, the District is considered to be a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect only the assets, liabilities, fund balances, revenues and expenditures of the District.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of Net Position and the statement of Activities) report information on all the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**B. Government-wide and fund financial statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) operating revenues as 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) non-operating revenues as grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the District and are recognized as revenue at that time.

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District. The District follows the practice of pooling the cash from all funds for investment purposes. Investments consist primarily of Stanislaus County Treasurer's Pool public deposits. All investments are stated at cost, which approximates market value as of June 30, 2020 and 2019, the district had \$277,682 and \$429,501 within the investment pool. The District also has resources held within a money market account maintained by BBVA, as of June 30, 2020 and 2019, the district had \$32,971 and \$13,017 of funds within the account.

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2020 and JUNE 30, 2019

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**2. Property Taxes**

Property tax revenues are recognized by the District when available and measurable. Taxes are levied on July 1 for liens established for real property on the previous January 1<sup>st</sup>. The County of Stanislaus is responsible for assessing and collecting property taxes for the District in accordance with state legislation. Taxes are due, payable and delinquent as follows:

	<u>First Installment</u>	<u>Second Installment</u>	
Due Date	November 1	February 1, Following year	50%
Delinquent Date	December 10	April 10, Following year	<u>50%</u>
			<u>100%</u>

**4. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 for property, plant, and equipment. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired and the amount of useful life expired prior to June 30, 2018. Prior to this date, governmental funds' infrastructure assets were not capitalized. Infrastructure assets since this date are recorded at cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is recorded in the Governmental Fund in the amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service life using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40-50 years
Improvements other than Buildings	10-25 years
Machinery, Furniture, and Equipment	3-20 years
Utilities property and Improvements	10-50 years
Infrastructure	25-50 years

**7. Long-term Debt**

Long-term debt and other obligations are reported as liabilities. The District's long-term debt consists of notes payables used to finance major fixed asset purchases. The total outstanding principle balance as of June 30, 2020 and 2019, is \$976,709 and \$620,466.

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**D. Assets, Liabilities, and Net Position or Equity (continued)**

**8. Net Position & Fund Equity**

In the government-wide financial statements and proprietary fund financial statements, Net Position is reported in three categories: Net Position invested in capital assets net of related debt; restricted Net Position and assigned Net Position. Restricted Net Position represent Net Position restricted by parties outside the District (such as creditors, grantors, contributors, laws and regulations of other governments) and include unspent proceeds of bonds issued to acquire or construct capital assets. The District's restricted Net Position is temporarily restricted (ultimately expendable assets). All other Net Position is considered assigned for District operations.

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The categories are defined as *restricted*, *committed*, *assigned*, and *unassigned* based on the relative strength of the constraints that control how specific amounts can be spent. In the fund financial statements, the District's governmental funds report the following classifications of fund balances:

Restricted fund balance – amounts that can be spent only for specific purposes because of restrictions from external sources (creditors, laws of other governments etc.) or constitutional provisions or enabling legislation.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District's board is the highest level of decision making authority for the District and is authorized to assign amounts to a specific purpose. The District's proprietary fund balances are assigned to be used for continued operations of the respective services.

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available; and to first apply committed, then assigned, then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**9. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental activities funds. All annual appropriations lapse at fiscal year end.

Prior to June 30<sup>th</sup>, the proposed budget is presented to the Board of Directors for review. The Board of Directors holds public hearings and may add to, subtract from or change appropriations.

**B. Risk Management:**

Risk exposures that may exist in connection with activities of the District, are addressed by the district's risk management policy. The District's risk management policy includes implementation of safety policies and procedures. As a part of the District's risk management policy, commercial insurance policies are purchased to cover substantially all expected losses from most types of routine risks of loss such as those due to torts; asset theft or damage; employee injuries; and natural disasters; accordingly, the District does not incur a significant self-insured retention.

The District believes its exposure to risks of loss due to business interruption and errors or omissions is fully provided for with purchased insurance.

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Cash and Cash Equivalents**

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total Cash and Cash Equivalents	<u>\$ 310,833</u>	<u>\$ 442,519</u>

The District maintains its cash and cash equivalents in the Stanislaus County Treasurer's Pool for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of Net Position/balance sheet as "cash and investments". The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments.

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**A. Cash and Cash Equivalents (continued)**

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code section 53601 et. seq. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investments, safety of principal, liquidity and yield.

**Interest Rate Risk** – This is the risk of loss due to the fair value of an investment falling due to rising interest rates. The County's policy for interest rate risk for The Stanislaus County Treasurer's Pool, are to allow investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's \$1.05 billion portfolio, over 36% of the investments have a maturity of one year or less. No investment has maturity greater than 5 years.

**Credit Risk** – This is the risk of loss due to credit quality rating of investments in debt securities as described by nationally recognized rating agencies. Stanislaus County Treasurer's Pool is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.

**Concentration of Credit Risk** – This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in the mutual funds, external investment pool and other pooled investments are not considered at risk.

In the Stanislaus County Treasurer's Pool, over 59% of the County's investments, including collateral on repurchase agreements, were in the U.S. Government or Government Sponsored Enterprises (Agencies). Of the 41% of the portfolio invested in other types of investments, no investment in a single issuer exceeds 5%.

**Custodial Risk** – This is the risk of loss due to uninsured or uncollateralized deposits.

In the Stanislaus County Treasurer's Pool, all negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending.

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**B. Receivables**

All trade and property tax receivables are shown as net of allowance for uncollectable amounts. Other receivables are generated due to reimbursements for emergency services or insurance claims, and are reported at cost.

Receivables for the District's individual major funds in the aggregate are as follows. All receivables are expected to be collected within one year.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Other Receivable's	\$ 21,734	\$ -
Total	\$ 21,734	\$ -

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Program Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 29,309	\$ -0-	\$ -0-	\$ 29,309
Total capital assets not being depreciated	<u>29,309</u>	<u>-0-</u>	<u>-0-</u>	<u>29,309</u>
Capital assets being depreciated:				
Equipment and Vehicles	860,632	411,230	(32,975)	1,238,887
Building and Improvements	<u>1,024,364</u>	<u>24,349</u>	<u>-0-</u>	<u>1,048,713</u>
Total capital assets being depreciated:	<u>1,884,996</u>	<u>435,579</u>	<u>(32,975)</u>	<u>2,287,600</u>
Less accumulated depreciation	<u>(598,896)</u>	<u>(75,333)</u>	<u>15,475</u>	<u>(658,754)</u>
Net capital assets being depreciated	<u>1,286,100</u>	<u>360,246</u>	<u>(17,500)</u>	<u>1,628,846</u>
Total net capital assets – program activities	<u>\$ 1,315,409</u>	<u>\$ 360,246</u>	<u>\$ (17,500)</u>	<u>\$ 1,658,155</u>

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**C. Capital Assets(continued)**

Capital asset activity for the year ended June 30, 2019 was as follows:

<b>Program Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 29,309	\$ -0-	\$ -0-	\$ 29,309
Total capital assets not being depreciated	<u>29,309</u>	<u>-0-</u>	<u>-0-</u>	<u>29,309</u>
Capital assets being depreciated:				
Equipment and Vehicles	820,969	39,663	-0-	860,632
Building and Improvements	<u>1,019,276</u>	<u>5,088</u>	<u>-0-</u>	<u>1,024,364</u>
Total capital assets being depreciated:	<u>1,840,245</u>	<u>44,751</u>	<u>-0-</u>	<u>1,884,996</u>
Less accumulated depreciation	<u>(538,800)</u>	<u>(60,096)</u>	<u>-0-</u>	<u>(598,896)</u>
Net capital assets being depreciated	<u>1,301,445</u>	<u>(15,345)</u>	<u>-0-</u>	<u>1,286,100</u>
Total net capital assets – program activities	<u>\$ 1,330,754</u>	<u>\$ (15,345)</u>	<u>\$ -0-</u>	<u>\$ 1,315,409</u>

**D. Accounts Payable and Other Liabilities**

Payables for the District in the aggregate are as follows:

Program Activities	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Accounts Payable	\$ 23,709	\$ 37,724
Accrued Interest Payable	7,644	8,169
Other Accrued Expenses	<u>-</u>	<u>12,844</u>
Total Payables and Other	<u>\$ 31,353</u>	<u>\$ 58,737</u>

BURBANK-PARADISE FIRE PROTECTION DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020 and JUNE 30, 2019

**E. Long-Term Debt**

Note payable to BBVA, Loan was funded as of June 30, 2017 funds were used for renovation and structural improvements. Principal and interest payment of \$32,003.16 are due quarterly with a current rate of interest at 3.95%. The note matures September 1, 2031. The District will be responsible for making the quarterly payments to BBVA. As of June 30, 2020, and 2019, the principal balance of the note payable was \$580,578 and \$620,466, and the total current portion of the long-term debt is \$41,873 and \$40,186.

Note payable to BB&T Governmental Finance, Loan was funded as of October 24, 2019 funds were used for purchase of a new emergency vehicle. Principle payments will be deferred for the first two fiscal years with interest payments still being collected, Principle payments will begin August 1, 2021, principle, and interest payments of \$49,859 are due annually with a current rate of interest at 2.68%. The note matures August 1, 2029. The District will be responsible for making the monthly payments to BB&T Governmental Finance. As of June 30, 2020, and 2019, the principal balance of the note payable was \$396,132 and \$0, and the total current portion of the long-term debt is \$39,243 and \$0.

Principal payments required over the next five years are as follows:

2021	\$ 81,115
2022	84,126
2023	86,977
2024	89,876
2025	92,978
Thereafter	<u>541,638</u>
TOTAL	<u>\$ 976,710</u>

**IV. OTHER DISCLOSURES**

**A. Evaluation of Subsequent Events**

The District has evaluated subsequent events through March 15, 2021, the date which the financial statements were available to be issued.

**Burbank-Paradise Fire Protection District**  
**Budgetary Comparison Schedule**  
**Governmental Fund Basis**  
**For Year Ended June 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
<b>Total Revenues</b>	336,776	336,776	673,643	670,473
<b>Expenditures</b>				
6001.00 FF Association	-	-	8,300	8,300
6002.00 Bank Charges	-	-	2,212	2,212
6010.00 Firefighter Payroll	85,000	85,000	72,420	(12,580)
6011.00-Chief Stipend	5,000	5,000	3,823	(1,177)
6012.00-Asst. Chief Stipend	-	-	-	-
6018.00 On Call Officer Stipend	-	-	-	-
6034.00 Apparatus & Equipment Maintenance & Repairs	25,000	25,000	65,494	40,494
6060.00 Station Maintenance & Repairs	1,000	1,000	23,802	22,802
6061.00 Building Remodel-BBVA Compass Bank	65,503	65,503	75,291	9,788
6065.00 Household Supplies	1,000	1,000	1,691	691
6070.00 Communications	4,000	4,000	14,426	10,426
6076.00 County Admin. Fees	700	700	909	209
6097.00 Physicals & Vaccinations	-	-	-	-
6110.00 Fuel & Oil	25,000	25,000	22,844	(2,156)
6111.00 Grant Purchases	20,000	20,000	39,662	19,662
6120.00 Liability Insurance	18,000	18,000	16,256	(1,744)
6122.00 Workers Comp. Insurance	18,708	18,708	14,933	(3,775)
6155.00 Legal Fees - Over budget	-	-	-	-
6156.00 Accounting Fees	15,000	15,000	13,927	(1,073)
6231.00 Mandated Testing	1,500	1,500	-	(1,500)
6237.00 Medical Supplies	500	500	4,568	4,068
6240.00 Strike Team	500	500	252,781	252,281
6260.00 Office Expenses	500	500	2,592	2,092
6275.00 Payroll Taxes	13,000	13,000	20,923	7,923
6285.00 Safety Clothing & Repairs	7,600	7,600	52,007	44,407
6290.00 Public Relations	-	-	116	116
6330.00 Small Tools & Equipment	1,000	1,000	13,732	12,732
6455.00 Training Expenses	4,500	4,500	14,513	10,013
6540.00 Utilities	12,000	12,000	12,710	710
6550.00 Volunteer Drill Bonus	10,000	10,000	-	(10,000)
<b>Total Expenditures</b>	<u>335,011</u>	<u>335,011</u>	<u>749,932</u>	<u>414,921</u>
Change in Fund Balance	<u>\$ 1,765</u>	<u>\$ 1,765</u>	<u>\$ (76,289)</u>	<u>\$ (78,054)</u>
Fund Balance - Beginning of Year			<u>468,243</u>	
Fund Balance - End of Year			<u>\$ 391,954</u>	

The accompanying notes are an integral part of these financial statements.

**Burbank-Paradise Fire Protection District**  
**Budgetary Comparison Schedule**  
**Governmental Fund Basis**  
**For Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
<b>Total Revenues</b>	330,000	330,000	440,505	440,505
<b>Expenditures</b>				
6001.00 FF Association	-	-	9,700	9,700
6002.00 Bank Charges	-	-	64	64
6010.00 Firefighter Payroll	68,500	68,500	58,254	(10,246)
6011.00-Chief Stipend	-	-	-	-
6012.00-Asst. Chief Stipend	-	-	-	-
6018.00 On Call Officer Stipend	-	-	-	-
6034.00 Apparatus & Equipment Maintenance & Repairs	14,000	14,000	86,063	72,063
6060.00 Station Maintenance & Repairs	500	500	47,948	47,448
6061.00 Building Remodel-BBVA Compass Bank	65,503	65,503	64,396	(1,107)
6065.00 Household Supplies	1,000	1,000	3,928	2,928
6070.00 Communications	1,000	1,000	4,564	3,564
6076.00 County Admin. Fees	700	700	7,718	7,018
6097.00 Physicals & Vaccinations	-	-	-	-
6110.00 Fuel & Oil	25,000	25,000	21,131	(3,869)
6111.00 Grant Purchases	2,000	2,000	39,449	37,449
6120.00 Liability Insurance	16,500	16,500	34,562	18,062
6122.00 Workers Comp. Insurance	18,708	18,708	8,596	(10,112)
6155.00 Legal Fees - Over budget	15,000	15,000	24,477	9,477
6156.00 Accounting Fees	15,000	15,000	15,000	-
6231.00 Mandated Testing	1,000	1,000	-	(1,000)
6237.00 Medical Supplies	1,000	1,000	3,881	2,881
6240.00 Strike Team	500	500	46,981	46,481
6260.00 Office Expenses	500	500	1,125	625
6275.00 Payroll Taxes	13,000	13,000	16,823	3,823
6285.00 Safety Clothing & Repairs	1,000	1,000	6,133	5,133
6290.00 Public Relations	-	-	2,247	2,247
6330.00 Small Tools & Equipment	1,500	1,500	17,679	16,179
6455.00 Training Expenses	1,500	1,500	11,431	9,931
6540.00 Utilities	12,000	12,000	12,335	335
6550.00 Volunteer Drill Bonus	10,000	10,000	-	(10,000)
<b>Total Expenditures</b>	<u>285,411</u>	<u>285,411</u>	<u>544,485</u>	<u>259,074</u>
 Change in Fund Balance	 <u>\$ 44,589</u>	 <u>\$ 44,589</u>	 <u>\$ (103,980)</u>	 <u>\$ (148,569)</u>
 Fund Balance - Beginning of Year			 <u>391,951</u>	
 Fund Balance - End of Year			 <u>\$ 287,971</u>	

The accompanying notes are an integral part of these financial statements.