



Robert E. Antonacci II, CPA
Comptroller

COUNTY OF ONONDAGA

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County Comptroller*

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February 27, 2013

Anthony P. Rivizzigno, Esq.
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555 East Genesee Street
Syracuse, New York 13202

Dear Counselor:

RE: Proposed Northwest Fire District

Background and Question Presented

We are in receipt of two separate e-mails from your office regarding questions being asked by Town Councilor Andrew Reeves relative to existing debt of the Baldwinsville Fire Department (BFD) and the Lysander Fire District (LFD). Based on the e-mails sent to our office, along with our telephone conversation, the question seems to arise over confusion on the exact amount of debt the proposed district will have as a result of the merger of the LFD and the BFD into the North West Fire District (NWFD). We believe the essential question being asked by Mr. Reeves is:

Does the Proposed NWFD Projected 2014 Budget reflect all the debt service of the two existing entities?

Documents Reviewed

We reviewed several documents in answering the question including our report issued in August of 2012, the (Proposed) Northwest Fire District-Projected 2014 budget dated January 15, 2013 (with several hand written notes on the page), December 31, 2011 Financial Statements from both LFD and BFD, loan documents obtained from BFD and a spreadsheet with 8 loans/mortgages prepared by Jack Kline (Kline Spreadsheet) and a sheet labeled "BVFD Debt" which was emailed to us.

Anthony P. Rivizzigno, Esq.

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Opinion

It is our opinion all debt currently existing and incurred by the BFD and LFD is reflected on, and is included in, the Proposed NWFD Projected 2014 Budget.

Procedures and Methodology

The Comptroller's Office and the CSI Tax Force reviewed its previously issued report and reviewed the December 31, 2010 financial statements of the BFD. We obtained a copy of the BFD 2011 financial statements. We traced debt existing in 2010 through 2011's financial statements by examining the notes to the financial statements along with the documents obtained from the BFD relative to promissory notes and amortization schedules. We then compared the debt on the financial statements to documents presented to the Town, primarily a document labeled BVFD Debt which was submitted to our office by e-mail from you. Additionally, we reviewed a spreadsheet prepared by Jack Kline which we are forwarding to you. The Kline spreadsheet and the BVFD Debt sheet agree in all material aspects, however we find the Kline spreadsheet more useful because it contains more loan information. There are eight debts referenced on this schedule and we find this schedule to be a fair representation of the existing debt of the BFD. Additionally, we have tested various amortization schedules and payments and find them to be fairly stated based on our testing.

Conclusion

As stated previously, we believe total debt service is properly included in the Proposed NWFD Projected 2014 Budget. We offer that some of the terminology may be confusing and specifically point out under operational expenses some of the current debt services is considered facility rent. We understand this could cause some confusion, but believe the term rent is being used due to the nature of the transaction between BFD and LFD. Submitted herewith is our marked up budget indicating on the projected 2014 budget the debt numbers cross referenced to the spreadsheet prepared by Mr. Kline.

If you have any further questions, please do not hesitate to call upon me and I would be happy to make any of the work papers we used in our calculation available to your office.

Sincerely,



Robert E. Antonacci II, CPA

REA/nlc
enclosure

(Proposed) North West Fire District - Projected 2014 Budget
January 15, 2013

EQUIPMENT EXPENSE:		NOTES
ANNUAL HOSE TESTING	4,000.00	
ANNUAL LADDER TESTING	2,100.00	
AERIAL TESTING	1,780.00	
TOWER ANNUAL TESTING	750.00	
5 YEAR AERIAL TESTING	0.00	
COMMUNICATIONS- PAGERS	6,000.00	
COMMUNICATIONS- RADIOS, MST	15,000.00	
EMS SUPPLIES- OXYGEN	300.00	
EQUIPMENT- EMS	5,000.00	
EQUIPMENT- FIRE	15,000.00	
EQUIPMENT- HOSE REPLACEMENT	5,000.00	
EQUIPMENT MAINTENANCE (EMS)	2,500.00	Supplies and Equipment Repairs
EQUIPMENT MAINTENANCE (FIRE)	7,500.00	Small Equipment repairs
EQUIPMENT MAINTENANCE (HEALTH & SAFETY)	2,500.00	Fitness Equipment maintenance and new
FIRE EXTINGUISHER ANNUAL MAINTENANCE	1,200.00	
FIRE PREVENTION	4,500.00	
TURNOUT GEAR- NEW	20,000.00	new coat bunkers only
PROTECTIVE CLOTHING	10,500.00	repairs/new gloves,hoods,boots,helmets,etc
REHAB SUPPLIES	2,000.00	water,gatorade,etc
SCBA COMPRESSOR MAINTENANCE	3,000.00	
SCBA HYDRO TEST AND CERT	2,500.00	
SCBA EQUIPMENT / SUPPLIES	2,000.00	new/replacement
MISCELLANEOUS	1,000.00	
TOTAL EQUIPMENT EXPENSE	114,130.00	
OPERATIONAL EXPENSES		
FACILITIES RENT		
B-ville Station 1	108,869.00	VB LOAN # 1+2
B-ville Station 2	90,000.00	VB LOAN # 1+2
B-ville Station 3	4,131.00	E. Oneida Street Property LOAN # 3
APPARATUS LEASE		
B-ville Squad 3, Car 2	19,242.00	Tanna Area LOAN # 5
B-ville Engine 7	5,654.00	LOAN # 6
B-ville Rescue 6, Engine 4, Engine 5, Ladder 2, Ladder 3	136,400.00	LOAN # 7
B-ville Truck 1	7,200.00	LOAN # 8
EQUIPMENT LOANS		
Pager Loan	6,312.00	LOAN # 4
New Turnout Gear	14,400.00	LOAN # 8
DISTRICT TRAVEL	1,500.00	Mileage
DUES AND SUBSCRIPTIONS	2,000.00	
FUEL - DIESEL	20,000.00	
FUEL - GASOLINE	10,000.00	Chiefs Vehicles, Squad 2 & Misc. equipment
INSURANCE - ACCIDENT & SICKNESS	5,200.00	
INSURANCE - BUILDING AND VEHICLE, LIABILITY	35,000.00	
INSURANCE - UNEMPLOYMENT	500.00	
INSURANCE- VFBL	100,000.00	
INSURANCE- WORKERS COMP (NON-VFBL)	250.00	
TRAINING	10,000.00	
TRAINING- CONFERENCES	2,500.00	
MISCELLANEOUS	500.00	
TOTAL OPERATIONAL EXPENSE	579,658.00	
APPARATUS MAINTENANCE		
TRUCKS		
B-ville Engine 7	6,000.00	
B-ville Engine 4	5,000.00	
B-ville Engine 5	5,000.00	
B-ville Ladder 2	8,000.00	
B-ville Ladder 3	7,000.00	
B-ville Truck 1	9,000.00	
B-ville Rescue 6	5,000.00	
B-ville Squad 2	2,000.00	
B-ville Squad 3	2,000.00	
B-ville Squad 4	3,000.00	
Lysander TP1	5,000.00	
Lysander TP2	5,000.00	
Lysander Tanker 1	5,000.00	
Lysander Squad 1	2,000.00	
Lysander Rescue 7	4,000.00	
TOTAL - TRUCKS	73,000.00	
CHIEF VEHICLES		
B-ville Car 1	675.00	
B-ville Car 2	625.00	
B-ville Car 3	625.00	
B-ville Car 4	625.00	

NORTH WEST F.O. COMBINEY DEBT

Loan/Mortgage Number	DEBT	LENDER	RATE	BALANCE	PAYMENT	Frequency	
1	Mortgage Sta 1 & 2	Kansas State Bank	3.80%	\$2,122,922.00	\$178,313.07	Annually	FACILITY RENT
2	Land Station 1	Barram LLC	8.00%	\$129,802.90	\$1,518.62	Monthly	AVILLE STATION #1 + #2
3	East Oneida Street	Seneca Federal	3.40%	\$53,797.81	\$344.37	Monthly	FACILITY RENT
					\$4,132.44	Annually	AVILLE STATION #3
4	Equipment Loan Pagers	Seneca Federal	5.50%	\$14,727.17	\$525.97	Monthly	EQ LOAN
					\$6,311.64	Annually	PAGER
5	Equip Loan Squad - 2008 Car 2 - 2008	Tax Exempt Leasing	5.20%	\$70,785.13	\$19,241.45	Annually	APPARATUS LEASE
							AVILLE
6	Equip Loan E-7	NYS Dept State	2.50%	\$35,894.00	\$5,654.00	Annually	APPARATUS LEASE
7	Truck Loan Consolidation L-2, L-3, E-4&5, R-6	M&T Bank	3.9 Adjustable	\$535,714.28	\$108,000.00	Annually	APPARATUS LEASE
					\$2,500.00	Monthly	Interest Payment
					\$30,000.00	Annual	Interest Payments
8	Turn Gear & Truck 1	M&T Bank	Adjustable	\$90,000.00	\$21,500.00	Annually	
				ACTUALLY 18,000	\$300.00	Monthly	Interest Payment
				+ JNT	\$3,600.00	Annual	Interest Paid

3,053,641 394,968

REFERENCE TO
 NWF - PROJECTED
 2014 BUDGET

BVFD Debt

F15-2011

#1	\$2,122,922 Station 1 and 2 Mortgage matures 2028	PL 14	OPERATIONAL EXPENSES FACILITIES RENT
#2	\$129,803 Station 1 land mortgage Matures 2024	PL 15	BVILLE STATION 1 108,869 BVILLE STATION 2 90,000 BVILLE STATION 3 4131
#3	\$53,798 East Oneida St property Matures 2025	PL 15	
#4	\$14,727 Pagers loan Matures 2014	PL 14	EQUIPMENT LOANS PAGER LOAN \$6312
#5	\$70,785 Squad 3 and Car 2 Matures 2015	PL 13	APPARATUS LEASE BVILLE \$19,242
#6	\$35,894 Engine 7 Matures 2019	PL 14	APPARATUS LEASE \$5,654
#7	\$540,000 Ladders 2 & 3; Engines 4 & 5 Adjustable rate Interest payments \$2,500/month Matures 2017	PL 14	APPARATUS LEASE \$136,400
#8	\$90,000 Turnout gear and Truck 1 Matures 2017	PL 16	APPARATUS LEASE \$7200 AND EQUIPMENT LOAN NEW TURNOUT GEAR \$14400

BVFD Debt- Summary

\$2,306,523
 Mortgages
 Interest rates vary from 3.4% to 8.9%

\$751,406
 Equipment
 Interest rates vary from 2.5% to 5.5%
 One variable rate

Total Debt: \$3,057,929

BALDWINSVILLE VOLUNTEER FIRE COMPANY, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

NOTE 3 - Fixed Assets and Accumulated Depreciation

The fixed assets at December 31, 2011 and 2010 consisted of the following:

	2011	2010
Land/House	\$ 366,810	\$ 366,810
Buildings	2,595,425	2,595,425
Vehicles	2,063,385	2,055,759
Equipment	615,302	580,850
	5,640,922	5,598,844
Accumulated depreciation	(1,655,840)	(1,490,993)
Total	\$ 3,985,082	\$ 4,107,851

NOTE 4 - Accrued Legal Settlement

There was a dispute with a former contractor regarding fees for past work performed in 2006. In 2010 there was an agreement to pay the contractor a sum of \$ 170,000 to settle the case before it went to trial. In 2010 \$ 85,000 was paid and the balance was to be paid in 2011, plus accrued interest.

NOTE 5 - Capital Leases Payable

The Organization has the following capital lease which are being used to purchase vehicles and equipment:

	2011	2010
For the purchase of two trucks, October 2008, for \$ 112,600, with annual payments of \$ 19,241 until October 2015. Total interest due will be \$ 22,090.	68,724	84,024
Totals	\$ 68,724	\$ 84,024

TO
BVFD

#5

The future payments, excluding interest of \$ 8,242 are as follows:

2012	\$ 16,018
2013	16,770
2014	17,556
2015	18,380
Total	\$ 68,724

BALDWINVILLE VOLUNTEER FIRE COMPANY, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

NOTE 6 – Loans Payable

In April 2004 the Organization borrowed \$ 70,000 from NYS for the purchase of a vehicle. Annual payments of \$ 5,654 are due until July 2019. The total interest is \$ 14,810.

2011

2010

TO
OVFD

45,062

45,062

6

In April 2008 the Organization borrowed \$ 2,400,000 for the refinancing one fire station and constructing a new one. Annual payments of \$ 180,528 are due until April 2028. The total interest is \$ 1,210,552. In April 2012 this loan was refinanced, reducing the annual payments to \$ 178,313, for the same time period.

2,154,263

2,239,607

1

In December 2010 the Organization borrowed \$ 750,000 to pay off three capitals leases. Annual payments of \$ 107,143 for five years, with the balance to be refinanced. Monthly interest payments, with an interest rate of 3.9 %.

642,857

750,000

7

In December 2008 the Organization borrowed \$ 27,536 for the purchase of new pagers. Monthly payments of \$ 526 are due until December 2013.

12,427

17,883

4

Totals

\$ 2,854,609

\$ 3,052,552

The future scheduled maturities of these loans are as follows:

2012	\$ 210,874
2013	211,488
2014	208,714
2015	212,944
2016	217,353
Thereafter	<u>1,793,236</u>
Total	<u><u>\$ 2,854,609</u></u>

BALDWINVILLE VOLUNTEER FIRE COMPANY, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

NOTE 7 – Installments Payable

In April 2004 the Organization bought land with a down payment of \$ 25,000 and the balance of \$ 170,000 to be paid in monthly installments of \$ 1,519 until April 2024. The total interest is \$ 194,468.

	2011	2010
	\$ 136,163	\$ 141,984
	\$ 136,163	\$ 141,984

TO
BVFD

#2

The future scheduled maturities of this long term debt are as follows:

2012	\$	6,360
2013		6,950
2014		7,594
2015		8,298
2016		9,068
Thereafter		97,893
Total		\$ 136,163

NOTE 8 – Mortgage Payable

In June 2006 the Organization bought property with a house on it for \$ 65,000. It took out a mortgage for \$ 59,000, with 360 monthly payments of \$ 344, with an interest rate of 5.75%. The total interest expense will be \$ 64,950.

	2011	2010
	\$ 54,308	\$ 55,293
	\$ 54,308	\$ 55,293

#3

The future scheduled maturities of this mortgage is as follows:

2012	\$	1,038
2013		1,110
2014		1,165
2015		1,234
2016		1,307
Thereafter		48,465
Total		\$ 54,308

BALDWINVILLE VOLUNTEER FIRE COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011, WITH COMPARATIVE TOTALS FOR 2010

NOTE 9 - Net Assets

The temporarily restricted net assets consisted of the following at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Proceeds from the Foreign Insurance Fund	\$ 15,248	\$ 27,973

Note 11 – Subsequent Events

The Organization has evaluated subsequent events through August 9, 2012, which is the date that the financial statements were available to be issued.

In February 2012, the Organization borrowed \$ 90,000 to purchase a vehicle and equipment. The terms of the loan require five annual payments of \$ 18,000 and monthly interest paid at a rate of 3.8 %.

The Organization has been having ongoing discussions about the possible merger with another fire company.

8 - BVFD