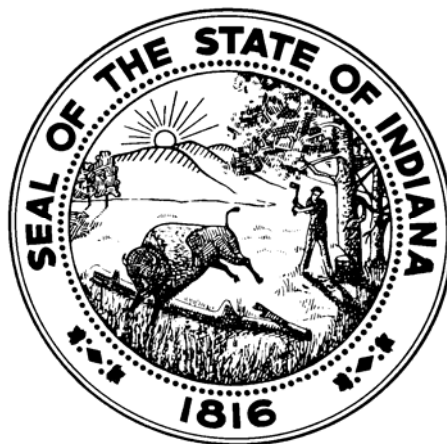


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT
OF
SOUTHWEST ALLEN COUNTY FIRE DISTRICT
ALLEN COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
05/02/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fire Chief	Donald L. Patnoude	01-01-05 to 12-31-07
Fiscal Officer	Ellis H. McFadden	01-01-05 to 12-31-07
President of the Board	Ellis H. McFadden	01-01-05 to 12-31-07



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SOUTHWEST ALLEN COUNTY FIRE DISTRICT, ALLEN COUNTY, INDIANA

We have examined the financial information presented herein of Southwest Allen County Fire District (District), for the period of January 1, 2005 to December 31, 2006. The District's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 11, 2007

SOUTHWEST ALLEN COUNTY FIRE DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Fund:				
General	\$ 838,607	\$ 2,732,877	\$ 2,870,194	\$ 701,290
Fiduciary Funds	<u>3,881</u>	<u>648,704</u>	<u>652,585</u>	<u>-</u>
Totals	<u>\$ 842,488</u>	<u>\$ 3,381,581</u>	<u>\$ 3,522,779</u>	<u>\$ 701,290</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Fund:				
General	\$ 701,290	\$ 2,300,267	\$ 2,335,476	\$ 666,081
Fiduciary Funds	<u>-</u>	<u>699,771</u>	<u>699,770</u>	<u>1</u>
Totals	<u>\$ 701,290</u>	<u>\$ 3,000,038</u>	<u>\$ 3,035,246</u>	<u>\$ 666,082</u>

The accompanying notes are an integral part of the schedules.

SOUTHWEST ALLEN COUNTY FIRE DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the following services: public safety services.

Note 2. Fund Accounting

The District uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the District in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the District on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

SOUTHWEST ALLEN COUNTY FIRE DISTRICT
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

SOUTHWEST ALLEN COUNTY FIRE DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Fire District		
Capital Lease:		
Two Fire Trucks	\$ 718,673.00	\$ 133,119.00
Total governmental activities long-term debt:	<u>\$ 718,673.00</u>	<u>\$ 133,119.00</u>

SOUTHWEST ALLEN COUNTY FIRE DISTRICT
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The annual reports did not always agree with the District's financial reports. The beginning cash balances on the annual reports did not always agree with the prior years ending cash balances.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts Chapter 10)

SOUTHWEST ALLEN COUNTY FIRE DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on April 11, 2007, with Ellis H. McFadden, Fiscal Officer; and Donald L. Patnoudé, Fire Chief. The officials concurred with our finding.