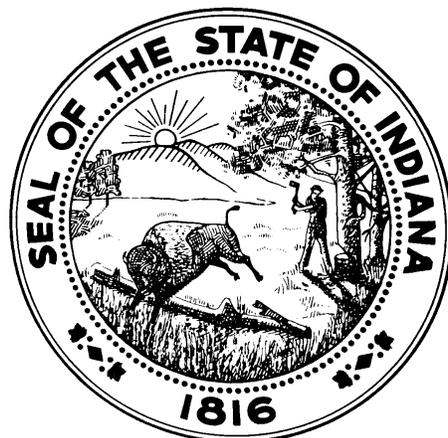


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
MORGAN TOWNSHIP
PORTER COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED

12/21/2007

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OFFICIALS

Office

Official

Term

Trustee

Mr. Richard Schultz

01-01-03 to 12-31-10

Chairman of the
Township Board

Mr. Rodney King

01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MORGAN TOWNSHIP, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of Morgan Township (Township), for the period of January 1, 2005 to December 31, 2006. The Township'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 Township 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

October 2, 2007

MORGAN TOWNSHIP, PORTER COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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 Funds:				
Township	\$ 22,756	\$ 18,729	\$ 22,274	\$ 19,211
Dog	476	128	178	426
Township Assistance	22,251	6,322	7,184	21,389
Firefighting	23,051	34,792	39,041	18,802
Park and Recreation	846	-	500	346
Cumulative Fire	<u>39,999</u>	<u>30,327</u>	<u>39,870</u>	<u>30,456</u>
Totals	<u>\$ 109,379</u>	<u>\$ 90,298</u>	<u>\$ 109,047</u>	<u>\$ 90,630</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 19,211	\$ 17,956	\$ 23,747	\$ 13,420
Dog	426	113	88	451
Township Assistance	21,389	4,319	11,877	13,831
Firefighting	18,802	33,127	36,000	15,929
Park and Recreation	346	1,115	500	961
Cumulative Fire	<u>30,456</u>	<u>28,844</u>	<u>40,447</u>	<u>18,853</u>
Totals	<u>\$ 90,630</u>	<u>\$ 85,474</u>	<u>\$ 112,659</u>	<u>\$ 63,445</u>

The accompanying notes are an integral part of the financial information.

MORGAN TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township 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 Township 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.

MORGAN TOWNSHIP, PORTER COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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 Township 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.

Note 6. Long-Term Debt

The Township has entered into a capital lease for firefighting equipment. The outstanding principal at December 31, 2006, was \$97,146.

Note 7. Subsequent Event

Reassessment and Property Taxes

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2007. Significant delays in the reassessment process have resulted in delays in billing taxes in 2007. Currently, tax bills have not been mailed for the spring or fall installment, normally due May and November. Officials anticipate billing the 2006 pay in 2007 property taxes in late November 2007. The taxes will be due and payable in one installment with an anticipated due date of December 15, 2007. Officials anticipate settlement will be in the beginning of March 2008.

MORGAN TOWNSHIP, PORTER COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2006

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Fire Pumper	\$ 97,146	\$ 40,167

MORGAN TOWNSHIP, PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2007, with Mr. Richard Schultz, Trustee. Our examination disclosed no material items that warrant comment at this time.