

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

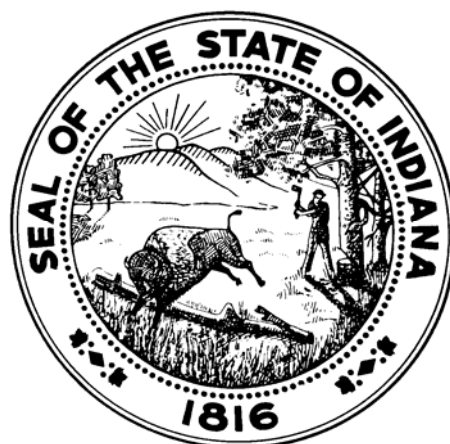
EXAMINATION REPORT

OF

MORAL TOWNSHIP

SHELBY COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

11/07/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Henry Johnson	11-18-03 to 12-31-10
Chairman of the Township Board	David Sullivan	01-01-05 to 12-31-05
	Ed Lay	01-01-06 to 12-31-06
	David Brattain	01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MORAL TOWNSHIP, SHELBY COUNTY, INDIANA

We have examined the financial information presented herein of Moral 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

September 26, 2007

MORAL TOWNSHIP, SHELBY COUNTY
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 Funds:				
Township	\$ (16,802)	\$ 57,307	\$ 41,885	\$ (1,380)
Dog	1,854	2,118	2,511	1,461
Township Assistance	9,702	18,730	8,834	19,598
Firefighting	95,453	83,766	74,186	105,033
Cumulative Fire	15	63,786	28,208	35,593
Community Center	110	2,878	2,848	140
Cemetery	8,020	1,800	4,265	5,555
New Equipment	777	-	777	-
Fire Debt	8,171	105,104	63,884	49,391
Fiduciary Fund:				
Payroll Withholdings	456	1,444	1,444	456
Totals	<u>\$ 107,756</u>	<u>\$ 336,933</u>	<u>\$ 228,842</u>	<u>\$ 215,847</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ (1,380)	\$ 64,543	\$ 45,748	\$ 17,415
Dog	1,461	1,685	3,146	-
Township Assistance	19,598	2,731	8,018	14,311
Firefighting	105,033	70,561	96,795	78,799
Cumulative Fire	35,593	55,773	17,000	74,366
Community Center	140	2,235	1,778	597
Cemetery	5,555	2,750	2,810	5,495
New Equipment	-	-	-	-
Fire Debt	49,391	9,575	33,533	25,433
Fiduciary Fund:				
Payroll Withholdings	456	1,870	1,687	639
Totals	<u>\$ 215,847</u>	<u>\$ 211,723</u>	<u>\$ 210,515</u>	<u>\$ 217,055</u>

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

MORAL TOWNSHIP, SHELBY 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township 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 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 loan for two rescue vehicles. The outstanding principal at December 31, 2006, was \$107,647.

MORAL TOWNSHIP, SHELBY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

December 31, 2006

Description of Debt	Principal Ending Balance	Principal Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 107,647	\$ 29,085

MORAL TOWNSHIP, SHELBY COUNTY
EXAMINATION RESULTS AND COMMENTS

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of officials and employees was not certified to the County Treasurer for the years 2005 and 2006.

Indiana Code 6-1.1-22-14(a) states in part: "On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the name and address of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

OVERDRAWN FUND BALANCES

The Township Fund was overdrawn in 2005.

The balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

Prescribed Township Assistance Form T1-1A, Notice of Township Assistance Action, was not in use.

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 Townships, Chapter 13)

CAPITAL ASSET RECORDS

Information presented for examination did not indicate an inventory or record of capital assets using Prescribed Form 369 was maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

MORAL TOWNSHIP, SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 26, 2007, with Henry Johnson, Trustee. The official concurred with our findings.